



**National Fraud
Authority**

**THE WORK OF THE COUNTER FRAUD
STRATEGY FORUM 2010**

**Supporting an improved national enforcement
response to fraud**



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Foreword by the Attorney General



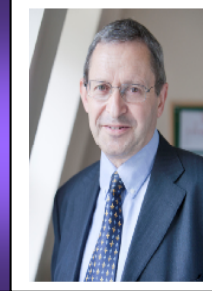
Fraud continues to cause too much economic, social and practical harm to its victims, whether they are public bodies, businesses or individual citizens. It is essential that we make every effort to remove the bureaucratic, legal and practical barriers that too often stand in the way of effective investigation and prosecution.

I have been pleased to receive regular reports on the work of the Counter Fraud Strategy Forum throughout 2010. I was also able to attend the January 2011 meeting of the Forum where the expertise of the group was evident as was a real desire of the members to work collaboratively to improve the national response to fraud.

The Counter Fraud Strategy Forum must build upon the strong foundations it has established in identifying the strengths and weaknesses of our national enforcement response, by driving forward policy led improvements.

Sponsorship of the National Fraud Authority (NFA) is transferring to the Home Office from 1 April. This move, alongside wider work to give greater focus to tackle economic crime will help further strengthen the Government's ability to fight fraud. I look forward to seeing the work of the forum continue to go from strength to strength during 2011.

Foreword by Dr Bernard Herdan CB, Chairman



I am delighted to present this report on behalf of the Counter Fraud Strategy Forum that sets out our analysis through 2010 of the strengths and weaknesses of the current national response to fraud. It also describes the role the Counter Fraud Strategy Forum will play in supporting improvements in the key areas outlined, through enhanced strategic policy development. As Chairman of the Forum, I am grateful to our member organisations for their support over the past year for this work.

It is clear that significant progress has been made in strengthening national counter fraud capabilities. Agencies with a national counter fraud remit continue to tackle significant volumes and values of cases. Some organisations, such as Her Majesty's Revenue and Customs and the Department for Work and Pensions, have actually increased their investigative resources. Prosecution agencies have maintained high success rates and there have been concerted efforts to increase asset recovery activity in fraud cases.

Victims can now more easily report frauds to Action Fraud and access support and advice. The National Fraud Intelligence Bureau (NFIB) is firmly established, consolidating data from Action Fraud and an increasing number of private and public sector organisations to produce strategic and tactical intelligence products. The NFA is working with partners across Government and the private sector, to drive forward strategic counter fraud policy and to deliver multi agency work programmes in the most critical areas.

Whilst progress has been made, it is clear that the fraud threat remains severe. Fraud is causing billions of pounds of losses to public bodies and businesses. It impacts on individual citizens in practical and monetary terms but in some instances there are also severe emotional consequences. The threat is also evolving, with new sophisticated criminal techniques often enabled by online technologies making enforcement activity more challenging.

Too many frauds are not being detected or prevented. There also remains too big a gap between the level of reported frauds and those which are successfully processed through the criminal justice system. Effective recovery of criminal assets is also a critical challenge.

This report sets out recommendations for improving the enforcement response to fraud, based on the evidence base that is described in the main

body of the text. Some of these recommendations will be taken forward by the NFA Secretariat on behalf of the Forum but others are already being worked on by individual member organisations in their own right.

The work of the Forum and in particular the evidence base it has created, have helped to inform the ongoing debate over the NCA, ECA and other potential institutional changes in the economic crime enforcement landscape. Decisions are yet to be taken here and this report does not deal with such issues but focuses on the evidence base itself and what needs to change in any future new enforcement landscape.

Introduction

1. The Counter Fraud Strategy Forum was established formally in January 2010 to strengthen senior strategic oversight of national fraud enforcement activity, in line with the key recommendations of the 2009 Fraud Landscaping Review¹. An Operational Board chaired by the Serious Fraud Office was also established. Close alignment between the two committees was emphasised in order to bring senior decision makers and operational managers closer together.

2. The Counter Fraud Strategy Forum is chaired by the NFA Chief Executive and comprises membership from senior officers from HM Government Departments and law enforcement organisations with counter fraud responsibilities (see Annex 1). It is supported by a NFA Secretariat that manages the administration of the Forum, provides quarterly reports on national counter fraud activities and leads targeted policy studies. The Secretariat also provides regular reports to the Attorney General on the work of the Forum, as well as other senior official level committees.

3. The main focus of the Forum since its inception has been to build collective understanding of the strengths and weaknesses of the national enforcement response to fraud, including consideration of quarterly national performance reports by the NFA Secretariat. Evidence based policy development has built upon this analysis by examining why a particular problem exists and what improvement measures should be considered. In 2010 the NFA Secretariat produced policy studies in the following areas:
 - Improving fraud prevention and disruption
 - Challenges to fraud investigations (“orphan cases”)
 - Using civil litigation powers in fraud cases
 - The criminal justice elements of the counter fraud response
 - Streamlining fraud governance
 - International counter fraud work

6. The NFA Secretariat has also contributed to cross-Government work on the Strategic Defence and Security Review, the National Crime Agency, Economic Crime Agency and organised crime strategy. The NFA has used the Forum as a means to keep partners informed of developments and to develop a common ‘counter fraud community’ view where appropriate.

¹ Fraud Landscaping Review 2009, Serious Fraud Office

Purpose of the report

7. This report seeks to outline the common view developed by the Counter Fraud Strategy Forum on the strengths and weaknesses of the counter fraud response in 2010. Section 1 sets out recommendations to address the key weaknesses that we have identified. This Section also sets out how the Forum will support these recommendations through its 2011 work program.

8. This main body of the report provides greater detail on the evidence base which has informed the development of these recommendations. It sets out the factual position in terms of published statistics and other information provided by agencies, provides a commentary on this information and outlines some of the key initiatives which are planned or underway by the counter fraud community. It is structured around:
 - Section 2: The scale and nature of the fraud challenge
 - Section 3: Investigations
 - Section 4: Prosecutions and sentencing
 - Section 5: Asset recovery

9. The report recognizes that significant work is being undertaken by members of the Counter Fraud Strategy Forum in their own right. As such, where the report refers to “What we are doing” this indicates work being coordinated by the NFA Secretariat on behalf of the Forum, as well as initiatives being led by counter fraud bodies that attend the Forum.

10. Beyond detailing improvement measures that will be led by our members, it is hoped that counter fraud partners that read this report may spot opportunities for partnership working with the Counter Fraud Strategy Forum. The NFA Secretariat will act as a contact point for any interested partners.

SECTION 1: KEY ISSUES AND RECOMMENDATIONS

Issue 1- Fraud is under-reported by victims

- **Recommendation 1- Action Fraud and the National Fraud Intelligence Bureau (NFIB) to build their capacity to take on all reports of fraud from individuals and businesses.** The Counter Fraud Strategy Forum will support this by examining performance reporting from Action Fraud/NFIB, identifying where it can provide support through strategic policy development, and by coordination of companies to encourage victims to report fraud.

Issue 2: Gaps exist in our analysis of national performance

- **Recommendation 2: Continued improvement of the management information reporting to the Counter Fraud Strategy Forum,** so we build our understanding of the strengths and weaknesses of the national response.

Issue 3- We need to better understand criminal fraud offending

- **Recommendation 3: Enhanced sharing of criminal data between public and private sector bodies through the NFIB.** The Counter Fraud Strategy Forum will support this through continued analysis of the outputs of the NFIB and the “through-put” to subsequent investigation activity.

Issue 4- There are overlaps, duplications and gaps in responsibilities for investigating fraud

- **Recommendation 4- A rationalised counter fraud landscape where overlaps in roles and responsibilities are removed and gaps are addressed.** The Counter Fraud Strategy Forum will help the development of a common view on how the counter fraud landscape can be most effectively streamlined. Stronger tasking arrangements are to be put in place to ensure that police forces deal with the highest priority “mid range” fraud cases when resources will inevitably be constrained.

Issue 5- Investigations delayed because “ownership” is not clear

- **Recommendation 5: Improved mechanisms for case allocation across the counter fraud community,** including service level

agreements on case handling including case acceptance criteria and decision timelines. Changes to the counter fraud landscape should clarify case allocation arrangements and superintendence. The Counter Fraud Strategy Forum will support this by providing analysis of the “through-put” of cases through the counter fraud systems.

Issue 6- Improve investigative capacity

- **Recommendation 6- Increased partnership will be developed with the private sector.** This will include policy support to enable private/public funding models to be implemented for new specialist units. Longer term policy initiatives will increase the transferability of investigative skills between the public and private sectors

Issue 7- Too few frauds are prevented and/or disrupted

- **Recommendation 7- Greater resources and emphasis will be put towards prevention and disruption activities across the counter fraud community.** At the strategic level the Counter Fraud Strategy Forum will support the development of a common view on the appropriate balance between prevention, disruption and enforcement of fraud. At a more technical level the Counter Fraud Strategy Forum will develop best practice guidance on prevention and disruption of fraud for use by counter fraud agencies.

Issue 8- Prosecutions are lengthy and expensive

- **Recommendation 8: Improved justice for victims through swifter prosecutions that maximise the deterrent effect on offenders.** To support work to improve the efficiency of prosecutions, the Counter Fraud Strategy Forum will continue to analyse case handling blockages and policy solutions.

Issue 9- Enforcement of confiscation orders is challenging

- **Recommendation 9: Earlier restraint of criminal assets through more sophisticated and widespread use of civil powers.** The Counter Fraud Strategy Forum will implement a process to examine the greater use of civil restraint and litigation powers in fraud cases. The Strategy Forum will also identify overseas money laundering “hotspots”, so that these are fed into the development of a priority country list for international engagement on fraud.

DETAILED REPORT

SECTION 2: SCALE AND NATURE OF THE CHALLENGE

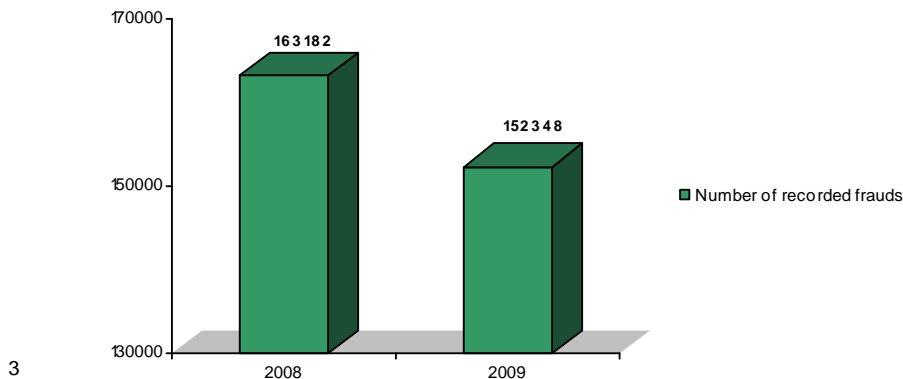
Facts

- The annual national fraud loss is estimated to be at least £38 billion
- £21 billion of losses are estimated to be incurred by the public sector.
- Approximately £9 billion of fraud (estimate) is perpetrated by organized crime groups annually.²
- There were 152,348 police recorded fraud and forgery offences (2009/10).
- Action Fraud is receiving around 3000/4000 reports of fraud monthly.
- Online shopping/auction frauds were the most highly reported to Action Fraud and NFIB.

Commentary

1. Measuring the scale and nature of fraud is very challenging. The NFA publishes the Annual Fraud Indicator (AFI) which is the best estimate of the cost of fraud to the UK. It indicated losses of at least £38 billion.
2. When considering the enforcement response to fraud, the number of fraud and forgery offences recorded by police forces in England and Wales is a more appropriate starting point. Figure 1 shows the number of recorded offences declined by nearly 11,000 (6.6%) between 2008/9 and 2009/10.

Figure 1- Police recorded fraud and forgery offences



² The links between fraud and organised crime, NFA 2010

³ Home Office crime statistics, 2010

3. Statistics for 2010/11 are not yet available but during this period Action Fraud started to take reports which would have been dealt with by the police. Further work is though needed before firm conclusions can be made on whether this is the reason for the drop in police recorded frauds.
4. Whilst media and marketing activity has improved public awareness of Action Fraud, research shows that fraud is still greatly under-reported. A lack of public clarity on how and where to report fraud may still be relevant. Therefore any analysis of trends in the recorded crime statistics will only give a partial picture and no firm conclusions can be drawn at this stage from these on whether levels of fraud are changing.
5. While the overall volume of reports handled by Action Fraud is low compared to reports currently taken by the police (around 10%), Action Fraud does provide a more detailed breakdown of the type of fraud perpetrated. Between December 2010 and February 2011, of the 4,259 crimes recorded by Action Fraud, the most common types were:
 - Online shopping and auctions 29%
 - Other advance fee frauds 18%
 - Other consumer non investment 7%
 - Dating scam 3%
 - Counterfeit cashiers cheques 3%

4

6. Action Fraud crime reports are passed to the NFIB, operated by the City of London Police. The NFIB also takes fraud reports from a wide variety of other sources, particularly from the private sector. The NFIB has state of the art analytical tools and highly experienced teams that produce a range of strategic and tactical intelligence products. The NFIB ‘top five’ fraud types for the same period which it disseminated to law enforcement is slightly different:
 - Online Shopping & Auctions 55%
 - Advance Fee Frauds 18%
 - Boiler Room/Share Purchase Fraud 8%
 - Rental Fraud 4%
 - Timeshare & Holiday 3%

5

7. The fraud and forgery offences which are grouped together for reporting purposes cover a wide spectrum of seriousness and types of fraud. The Action Fraud statistics provide a more useful breakdown and are proving particularly helpful in tailoring prevention messages for the general public. While Action Fraud does not take crime reports from larger businesses, pooling this analysis with the NFIB’s wider dataset gives a more complete picture.

⁴ Action Fraud Performance Report, January 2010
⁵ NFIB Performance Report, January 2010

What We Are Doing

8. Over the next two years, Action Fraud should be able to take all fraud crime reports that are currently handled by the police. This should provide greater clarity to victims on where and how to report fraud and a more consistent picture of levels of fraud nationally. It should also allow more detailed breakdowns of the types of fraud perpetrated against victims across a much larger set of data, informing the targeting of prevention messages. Action Fraud will also pass 'incident' data to the NFIB such as information on attempted or suspected frauds which will greatly improve the intelligence picture and therefore the targeting of prevention, disruption and enforcement activity.
9. The NFIB is an increasingly powerful tool which can link what may appear to be isolated incidents of fraud into a wider pattern of offending behavior. It should therefore be possible to target investigative resources more effectively, for example by focusing on enablers of fraud as well as suspects associated with a large number of offences. As NFIB increases its capacity to take on more crime data from public and private sector bodies, this intelligence picture will become more comprehensive. As the lead force for fraud, the City of London Police is also able to take on cases in other parts of the country which can be particularly beneficial where victims are spread across a number of force areas.
10. Understanding the throughput of fraud cases, from the initial report to Action Fraud or NFIB up to completion of the investigation phase, is essential for tracking the efficiency of the process and to identify any blockages. The NFA Secretariat will continue to provide statistical analysis in this regard as part of its performance reporting for the Counter Fraud Strategy Forum.
11. More broadly it is clear that criminals are making increased use of the internet to enable fraud. The NFA Secretariat will focus efforts on understanding the fraud elements of the cyber crime threat and work with partners to deliver policy led improvements.

SECTION 3: INVESTIGATIONS

Facts

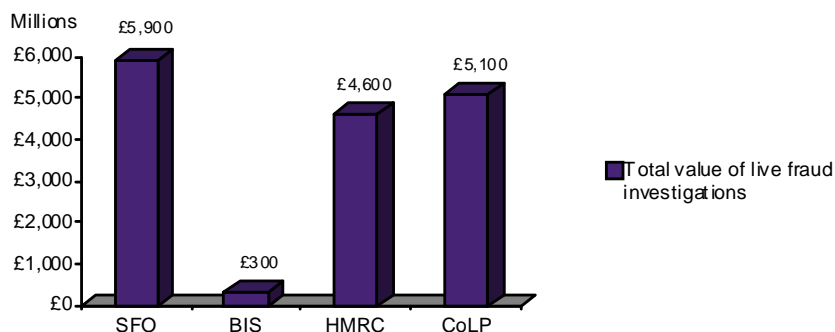
- Members of the Counter Fraud Strategy Forum were regularly investigating over 2000 live cases during 2010.
- The investigation agencies dealing with the highest value frauds (The City of London Police, the Serious Fraud Office and Her Majesty's Revenue of Customs) were each handling live investigation caseloads of over £4 billion throughout 2010.
- Significant volumes of police recorded fraud and forgery offences were not actively investigated during 2010.

Commentary

13. Through 2010 we have been provided with data on the number of fraud investigations undertaken by the principal enforcement agencies with a national remit. Excluding the Department for Work and Pensions which was investigating over 150,000 cases between July and September 2010, members of the Counter Fraud Strategy Forum were collectively undertaking over 2000 live fraud investigations at any one time during 2010.

14. Figure 2 shows the estimated value of the caseload being investigated by members of the Counter Fraud Strategy Forum. As one would expect, the figures show that agencies tend to deal with those cases where losses are highest. The level of loss is though one, but not the sole, determining factor which agencies consider when deciding whether to devote significant resources to an investigation.

Figure 2

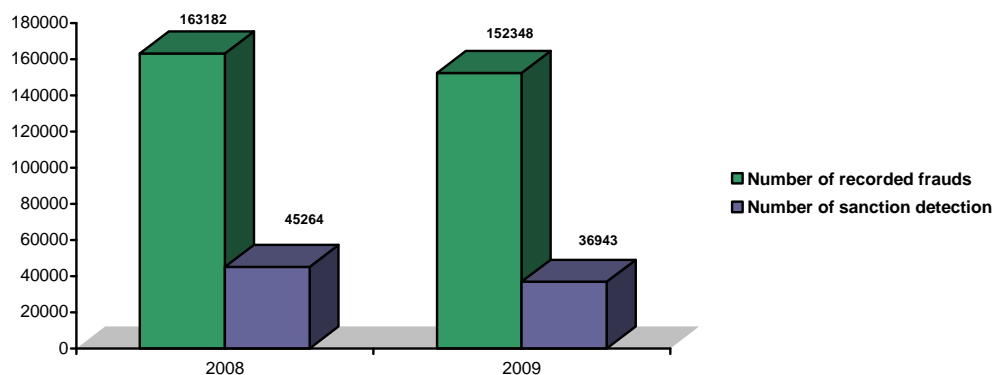


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⁶ Management Information Report, Counter Fraud Strategy Forum January 2011

12. The fraud and forgery offences recorded by the police were set out in the preceding section. Police forces also record their sanction/detection rate against these offences. ('Sanction/detection' is any notifiable offence dealt with and resulting with a charge, summons, caution or taken into consideration). This is illustrated in Figure 3. This shows an increased number of fraud and forgery offences between 2008/09 and 2009/10 (over 9,000 offences) which did not receive some form of criminal justice outcome.

Figure 4
7



14. As with the number of fraud offences, there are gaps in the data on investigations, particularly those undertaken by police forces outside of London and by local authorities. The figures in this report therefore underestimate the true extent of the national enforcement response. We have discussed investigation caseload with some police forces outside of London who have provided us with their figures but the data is not sufficiently comprehensive to present here.

15. While there is evidence to show that the more serious cases in terms of financial loss are investigated, it is clear from the sanction/detection rate and from our consultation with external partners⁸ that an increasing number of frauds where losses are lower do not proceed to some form of criminal justice outcome. This will be due to a combination of factors: it may not be effective to conduct an investigation in some cases, the level of victim loss may fall below a case acceptance threshold but it is likely that in most cases there are insufficient resources to investigate these crimes compared to other policing priorities.

⁷ Taken from Home Office crime statistics, 2010

⁸ Including workshop hosted by NFA Secretariat on "orphan" cases, 21st April 2010

What we are doing

16. We will continue to work with forces, particularly via the ACPO Economic Crime Portfolio to develop better information on the level of police fraud investigations outside of London. In addition work by police forces, the Serious Organised Crime Agency, HM Revenue & Customs and the UK Border Agency to map the activities of organised crime groups will also provide a better picture of the types of investigation and other interventions against organised crime groups involved in fraud.
13. The main challenge however is how to address the gap between the number of reported fraud offences and those which receive a criminal justice outcome, especially as resources in many agencies are under pressure. A number of initiatives will help:
14. The National Crime Agency will enhance operational capabilities to tackle organised crimes including serious frauds. Regional capabilities are also being developed to ensure that organised crimes that cut across regional boundaries are dealt with effectively.
15. More effective tasking and coordination processes will be developed to ensure that fraud cases are managed in the most efficient manner. This would include consideration of new mechanisms to ensure that where ownership is unclear, a single organisation has the authority to allocate cases accordingly. In particular emphasis will be given to ensuring that operational resources are prioritised to maximise the long term deterrent effect that can be achieved. Service level agreements will be established to define case acceptance criteria and timescales.
16. Some industry sectors are considering building on the highly successful model of the Dedicated Cheque and Plastic Crime Unit (DCPCU) by funding dedicated investigative teams which will specialise in the needs of their industry sector. These teams will be intelligence-led and will provide more effective enforcement responses.
17. More broadly there is scope for considering how we can best share the skills and resource within the private sector for fraud investigations. Guidance will ensure legally sound processes are in place for sharing resources and evidence between the public and private sector
18. HMRC and DWP are creating a single, integrated fraud investigation service which will investigate welfare fraud across DWP, HMRC and local authorities. As part of this initiative they will look to establish dedicated units to focus resource and expertise on organised tax credit and disability related fraud. To enable this new service to carry out an increased number of investigations across a wider range of benefits across both departments, DWP will invest in more resource, increasing the number of

fraud investigators by over 200 which should result in an increase in the volume of sanctions applied to welfare fraudsters of over 35%.

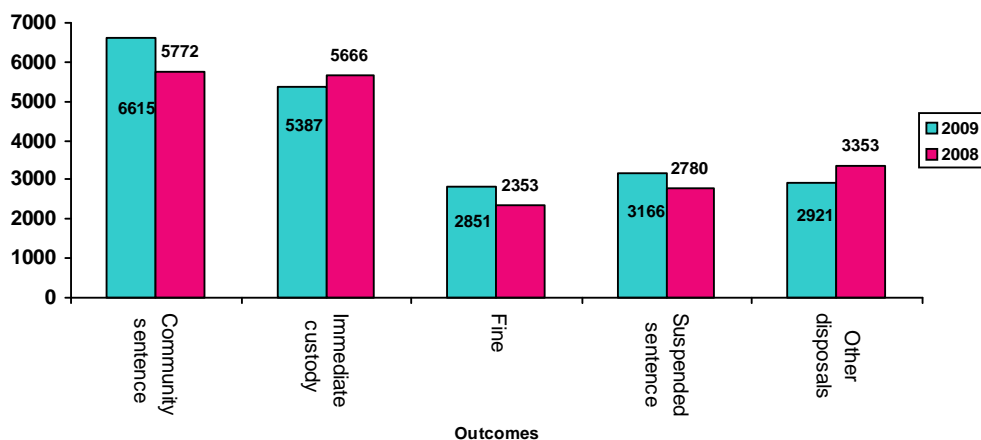
19. Given the scale of the gap between reported crimes and justice outcomes, there needs to be an increase in preventing and disrupting fraud if we are to make a real difference. Establishing a common view of the appropriate balance between prevention and disruption on the one hand, and criminal enforcement activity on the other, will be a key area of focus for the Counter Fraud Strategy Forum during 2011.
20. There is a need for greater commonality of approach to fraud prevention and disruption work. To support this aim, the NFA Secretariat will continue to develop a fraud prevention and disruption framework for consideration by the Counter Fraud Strategy Forum. This will provide a guidance tool for organisations including material on the planning, executing and assessing the impact of prevention and disruption activities. This will ultimately help them to justify more investment in prevention and disruption work.

SECTION 4: PROSECUTIONS AND SENTENCING

Facts

- The total volume of sentences in fraud and forgery cases increased slightly in 2009 to 20,940 from 19,924 in 2008⁹.
- The Crown Prosecution Service completed the highest number of prosecutions by an individual agency in 2010, securing convictions against 20,670 defendants from January to December.¹⁰
- The average length of sentence in Crown Court fraud trials has remained at 12 months over the past 2 years. There was though a significant rise in the volume of custodial sentences resulting from fraud trials in 2010 compared to previous years. Guilty pleas are made in the majority of Crown Court fraud prosecutions.
- On average prosecutions led by the Crown Prosecution Service (Fraud Prosecution Group) and the Serious Fraud Office took over 1 year from charge to completion during 2010.
- 24 per cent of those convicted for fraud went on to commit further fraud offences between 1998 and 2008.

Figure 4- Graph showing sentencing distribution in fraud and forgery prosecutions 08/09



11

⁹ Ministry of Justice Analytical Services

¹⁰ CPS website- monthly performance reports

Commentary

21. Individual prosecution agencies have maintained good levels of success in fraud trials in 2010. The Crown Prosecution Service (Central Fraud Group) achieved success rates of over 80 per cent in fraud trials. Consultation with law enforcement officers shows a strong working relationship exists between police fraud investigators and the CPS.
22. The SFO achieved at least one conviction in every trial it undertook in 2010 and 91 per cent of defendants tried were convicted.¹²
23. Despite process efficiency improvements, fraud trials are lengthy and consequently expensive. Some of the highest cost trials in 2010 were fraud related. The complex nature of fraud offending and investigations means that there are often requirements for significant disclosure of documentary evidence spanning several years and multiple defendants. This is a key influence on the length of the prosecution process.
24. A single complex fraud case may comprise thousands of individual victims. Compensation can only be provided to identified victims. It appears that relatively few fraud victims currently receive compensation.

What we are doing

25. Effective case management is crucial to efficient prosecution processes. Prosecution agencies have focused attention on practical initiatives to improve case efficiencies, including electronic case management and evidence presentation. A paper by the CPS, SFO and FSA was also published in January 2011 that set out useful best practice in the prosecution of serious economic crime cases. More broadly a new committee has been established to bring together experts across HM Government to look at policy issues surrounding high cost crime cases.
26. Clearly the disclosure arrangements place particular burdens on prosecutions in fraud cases. The scope for improving the disclosure arrangements to make them more practicable is now being considered, with the interests of justice firmly in mind.
27. The Fraud Review 2006 recommended the establishment of specialist financial crime courts, to ensure that appropriate facilities and skills existed for complex financial crime trials. The NFA will work with partners to consider whether specialist courts should be re-examined.
28. Understanding the nature of offending is crucial to effective policy led improvements to counter fraud work and will be a high priority over the coming years. In particular, the NFA Secretariat will work with law

¹¹ Management Information Report, Counter Fraud Strategy Forum 2011 (Using Ministry of Justice data)

¹² Statistics provided directly to NFA by SFO in March 2011

enforcement partners to identify the existence of prolific fraudsters that go on to commit further fraud offences even after custodial sentences, in order to develop policy led improvements through the Counter Fraud Strategy Forum.

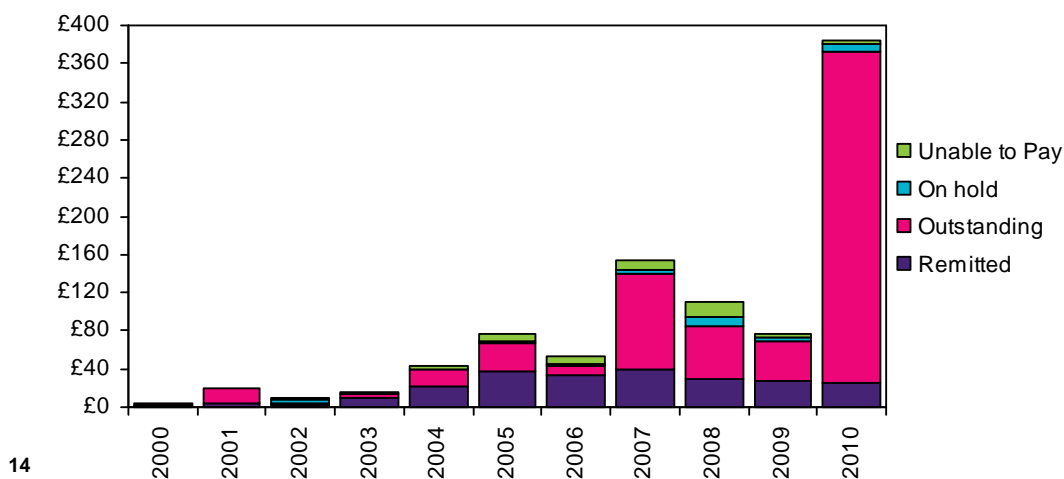
29. The Fraud Review 2006 recommended extending the powers of judges to grant compensation in fraud cases. Given the apparent low levels of compensation awarded in fraud cases, the NFA Secretariat will work with members of the Strategy Forum to consider this point further.

SECTION 5: ASSET RECOVERY

Facts

- There were 1831 confiscation orders made in fraud cases in 2010, compared to 1686 in 2009.
- The total value of confiscation orders made in 2010 was £399.7 million, compared to £108.6 million in 2009
- Since 1994 over £700 million is outstanding in unenforced confiscation orders in fraud cases.¹³

Figure 5- Enforcement status of fraud confiscation orders since 2000



Commentary

30. The primary motivation for most fraudsters is financial gain. As such asset recovery is a vital component of the enforcement response to fraud. Concerted efforts have been made to increase asset recovery activities in fraud cases. This has led to a marked increase in 2010 in confiscation orders made in fraud cases and the overall value of confiscation orders. The result of these increases in confiscation orders is expected to come to fruition over the next year or so, when the enforcement phases have been completed.

31. Joint working between law enforcement agencies and Regional Asset Recovery Teams has resulted in some individual case successes. For

¹³ NFA Management Information Report, January Counter Fraud Strategy Forum (taken from data provided by the National Policing Improvement Agency)

¹⁴ NFA Management Information Report, January Counter Fraud Strategy Forum (taken from data provided by the National Policing Improvement Agency)

example, Her Majesty's Revenue and Customs achieved the largest single confiscation order (£99 million) in a tax fraud case in 2010.

32. Despite these efforts, enforcement of confiscation orders remains challenging. Often fraudsters hide their assets in complex business arrangements, choosing those jurisdictions with weaker compliance levels in which to move their funds. This makes the tracing and seizure of assets all the more difficult.
33. The lengthy nature of fraud enforcement means that there is often greater opportunity for fraudsters to hide their assets. It is quite clear that fraudsters use tactics to delay confiscation hearing proceedings in this regard.
34. Some businesses that have been the victims of fraud pursue the criminal profits privately, rather than reporting the cases to law enforcement. In particular, private sector firms have used civil litigation approaches to trace and seize assets in fraud cases, with good results. This does though mean that vital intelligence material may not be shared with law enforcement.

What we are doing

35. More innovative approaches to asset recovery in fraud cases are being considered by counter fraud agencies. This includes emphasis on denying criminal access to their finances and other resources.
36. Early restraint can reduce the dissipation of assets in fraud cases. Civil measures can be used to improve the extent of monies recovered early on. Civil litigation can be an effective measure to recover fraudulently obtained proceeds and is used in the private sector and also by some Government agencies. Following a study of its use for the Counter Fraud Strategy Forum, the NFA is working with victim organisations and potential civil litigators to identify the types of cases where this approach would be beneficial and appropriate. The benefits from this approach should not only be greater recovery of assets but improved intelligence sharing between the private sector and law enforcement. A supervisory board to monitor progress and identify policy lessons will be established.
37. Identifying those jurisdictions in which money laundering in fraud cases affecting the UK is most prevalent is key to designing targeted improvements. Consideration of the "top" locations for money laundering in fraud cases has been factored into the development of a "priority country list" on fraud.
38. Efficient confiscation hearing processes are useful for increasing the likelihood of effective recovery of criminal assets. The consideration of the Fraud Review recommendation for specialist financial crime courts could also be applicable in this regard.

ANNEX A- MEMBERSHIP: COUNTER FRAUD STRATEGY FORUM

- Attorney General's Office
- Audit Commission
- City of London Police
- Companies Investigation Branch
- Crown Prosecution Service
- Department for Business, Innovation and Skills
- Department of Work and Pensions
- Financial Services Authority
- Her Majesty's Revenue and Customs
- Home Office
- Metropolitan Police
- Ministry of Defence Police
- National Fraud Authority
- Serious Fraud Office
- Serious Organised Crime Agency
- The Office of Fair Trading