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Chief Executive's Message

It's been a busy couple of months at the NFA as we continue to work with our partners across a wide range of activity.

At the end of March, we published the 2012 Annual Fraud Indicator (AFI) and highlighted the estimated £73 billion cost of fraud to the UK economy. A significant piece of work, the AFI emphasises that we are all at risk of fraud and helps us to target resources effectively, encouraging us all to protect ourselves.

The message of self-protection was also prominent in our recent campaign, 'The Devil's in Your Details', which was jointly funded by the Government and representatives from the telecommunications and

financial services industries. If you haven't seen the videos yet, I urge you to visit the Action Fraud website to view the cutting edge technology used to highlight the importance of protecting personal information – it certainly sends a strong message.

In March, I also chaired the first meeting of the Economic Crime Prevention Group. This group is part of the new arrangements under the Economic Crime Coordination Board, which has been created to reduce the threat and harm caused

by economic crime. Members are drawn from across the public, private and voluntary sectors, and I am looking forward to working with the group to deliver the objectives of 'Fighting Fraud Together'.

Recent work on Fighting Fraud Together has also included publishing 'Fighting Fraud Locally' – the first ever national strategy to tackle local government fraud. As you will see later in this newsletter, Fighting Fraud Together is providing plenty of activity to keep us busy in the coming months too!



Stephen Harrison

Working towards Fighting Fraud Together

In the last edition of Fraud Focus, the NFA outlined Fighting Fraud Together – the national cross-sector strategy that by 2015 aims to make our country demonstrably more resilient to fraud.

Work is well underway across the strategy's three main objectives – Awareness, Prevention and Enforcement – with the following activity taking place to bring Fighting Fraud Together into action:

Awareness

- The launch of 'The Devil's in Your Details' – an online awareness raising campaign encouraging people to protect their personal information ([see page 4](#))
- A project to reinforce a counter-fraud culture across central government, via the introduction of e-learning, fraud benchmarking and fraud awareness weeks ([see page 6](#))
- Publication of the 2012 Annual Fraud Indicator to give an updated estimate of total fraud loss to the UK economy ([see page 3](#))

Prevention

- Publication of 'Fighting Fraud Locally' – a strategic plan focused on reducing fraud in local government ([see page 7](#))
- Helping charities mitigate fraud risk, alongside advice to assist the public in making safe donations ([see page 8](#))
- Starting a joint NFA and Serious Organised Crime Agency (SOCA) project to significantly widen the scope of mapping fraud enablers, allowing the counter-fraud community to prioritise its response, and plan targeted interventions
- Formulating an economic crime intelligence capability to deliver a comprehensive understanding of fraud and other economic crime as part of the development of the National Crime Agency (NCA)

Enforcement

- The development of a 'National Policing Response to Fraud' by the City of London Police and the Association of Chief Police Officers
- Setting-up the Economic Crime Coordination Board to establish the Economic Crime Command of the NCA, and a series of delivery groups to bring about a more coordinated response to reducing economic crime, namely: the Economic Crime Prevention Group, the Economic Crime Operational Group, and the Economic Crime Intelligence Group

A more detailed programme update for Fighting Fraud Together is available on the [NFA website](#)



Fraud estimated to cost the UK £73 billion a year

The third Annual Fraud Indicator (AFI) released by the NFA shows the extent to which fraud touches all aspects of society.

We have used improved methodologies to uncover losses that were previously hidden, making the AFI the best estimate of the cost of fraud to the UK economy.

It shows that fraud against the private sector accounts for the highest proportion of loss at £45.5 billion – a figure that represents 1.4% of UK private sector turnover (excluding sole traders).

The estimated fraud costs against the public and not-for-profit sectors are £20.3 billion and £1.1 billion respectively, with the total loss for individuals estimated to be £6.1 billion.

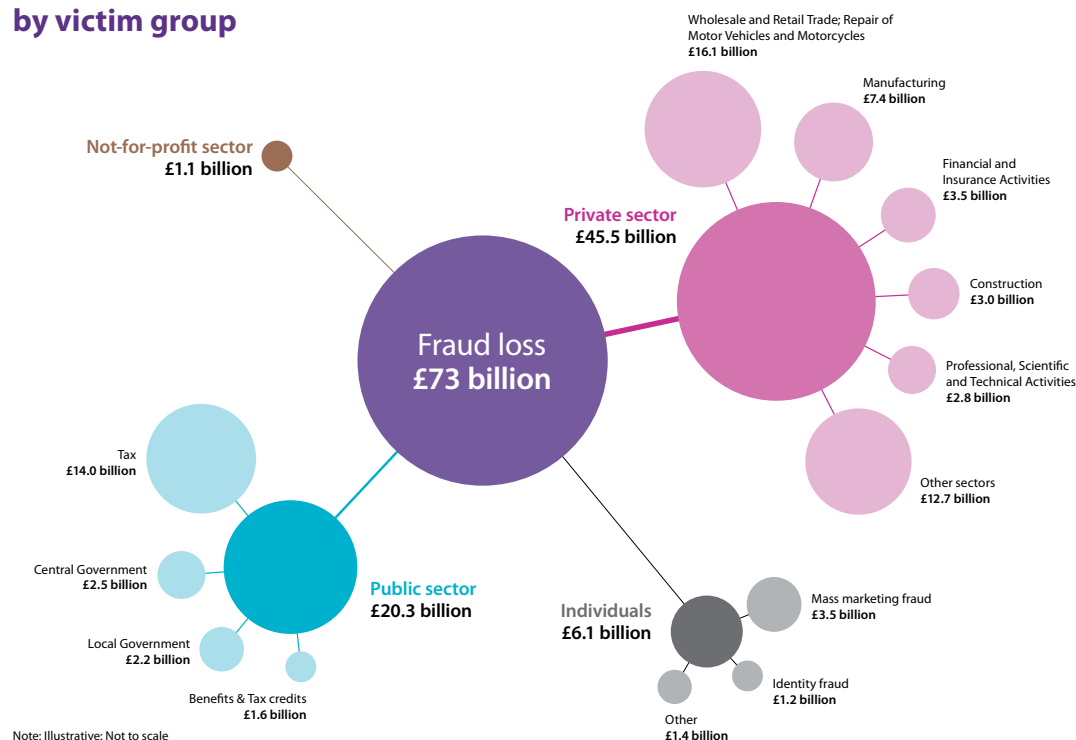
These figures are not comparable with previous estimates however, as they make use of new and improved ways of measuring fraud in the various sectors.

Minister for Crime and Security James Brokenshire said that the AFI "helps us understand the scale and nature of the threat, including a £20 billion cost to the public sector. Ripping off the taxpayer will simply not be tolerated. The government's strategy to reduce fraud is already producing results – this includes Fighting Fraud Together which allows us to better target, prosecute and prevent fraud."

The wide-ranging impact of fraud dispels the myth that it is a victimless crime – the AFI shows it affects everyone, from big business to the most vulnerable individuals in society.

By understanding the true scale of the issue, the NFA is able to work with its partners across all sectors to more effectively crack down on this crime.

Breakdown of fraud losses by victim group



For a full copy of the Annual Fraud Indicator, please visit the [NFA website](#)

The Devil's in Your Details

NFA backs first campaign of its kind to help the public better protect themselves from fraud.

Funded jointly by the Government and members of the Telecommunications UK Fraud Forum and Financial Fraud Action UK, The Devil's in Your Details campaign has demonstrated what can be achieved when the public and private sector coordinate their fraud prevention activity.

The multi-layered campaign – making use of social media and online video – raises awareness on the importance of protecting personal information and reminds the public to check that anyone they share their details with is genuine, whether in person, on the telephone, or online.

It consists of YouTube videos, radio adverts and a Facebook application that makes use of cutting edge technology to capture photos and names from a user's account and display them within the video.

The campaign specifically targets two groups from the NFA's National Fraud Segmentation – women aged 36-55 and both males and females within the 18-25 age bracket. Both groups give out their personal information on a regular basis, whether by shopping online or interacting with friends on social network sites.

The campaign made an instant impact, with Stephen Fry 'retweeting' the Facebook application to his four million Twitter followers and one of the YouTube videos ranking at number one on the site's non-profit channel during its first week.

The NFA is measuring views of the videos and unique traffic to the Action Fraud website to give an indication of the campaign's impact. We will also be measuring the impact



on awareness and behaviour change, with the hope that the campaign will provide a template for future activity aimed at helping other groups in society protect themselves from fraud.

The videos and further information on the campaign can be viewed at www.actionfraud.police.uk/thedevilsinyourdetails

Reaching Vulnerable Adults

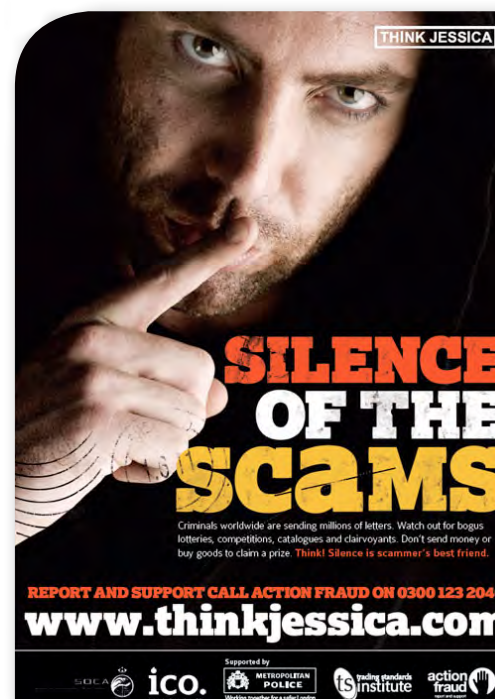
Following on from The Devil's in Your Details campaign, the NFA will continue to work with groups identified in the National Fraud Segmentation to develop their ability to self-protect from fraud.

This includes those whose attitudes and behaviours lead them to be amongst the most vulnerable to fraud in society.

Many in this group are in their senior years, with lifestyle choices and an inherently trusting nature that can make them fall prey to scams based around bogus lotteries, prize draws and premium rate telephone calls. Action Fraud statistics show that 45% of those reporting lottery scams in the past year were aged 66 and over – the largest group affected.

When this group falls victim to fraud the impact can be significant – both financially and in health terms too. Often cut-off and isolated from the rest of society, they are very hard to reach, a fact that is frequently compounded by the entrenched nature of the fraud against them.

Campaigns such as Think Jessica already do good work in this area, and over the coming months the NFA will be working with its partners to develop a campaign to reach friends, carers and relatives of this group, with the ultimate goal of producing a measurable reduction in their vulnerability to fraud.



Think Jessica

Think Jessica works to raise awareness on the dangers of mass marketing fraud, with a particular focus on postal scams targeting the most vulnerable groups in society. It aims its activity at both potential victims and their families so that those at risk can be identified.

For more information on the campaign, visit www.thinkjessica.com



Reinforcing a counter fraud culture across central government

To encourage an increase in the prevention and detection of fraud, every central government department is being asked to emphasise a zero tolerance culture towards fraud and error.

The NFA – working with the Cabinet Office’s Fraud, Error and Debt team – is developing free resources to raise staff awareness of fraud risk and to help each department embed a counter fraud culture.

Three main activities are being delivered:

1. Fraud Awareness Benchmarking Survey – each department is being encouraged to conduct an all staff benchmarking survey to assess current levels of knowledge and perceptions towards fraud. It is hoped that by benchmarking current levels of awareness

each department will be able to measure their ongoing success in raising awareness and target key areas where more specific training is required.

2. Fraud Awareness Weeks – throughout 2012, every central government department will be encouraged to deliver their own fraud awareness week. To support this, the NFA is preparing a range of ‘off the shelf’ items such as posters, leaflets, induction packs and intranet stories for departments to tailor and use to raise awareness.

3. Counter Fraud and Corruption E-learning Tool – a fraud and corruption e-learning tool has been made available to all staff working for central government departments via the Civil Service Learning portal. It will also be available, free of charge, on a disc for non-central government departments, arm’s length bodies and non-departmental public bodies without access to the portal. The e-learning tool will help educate all staff about fraud risks and their role in reporting and preventing fraud in their department.



For further information on these activities, please contact Ruth Wilson (Ruth.Wilson@nfa.gsi.gov.uk)

Fighting Fraud Locally

For the first time, a strategy has been developed to bring about a truly inclusive and collaborative approach to tackling fraud across all of local government.

Fighting Fraud Locally – the local authority contribution to Fighting Fraud Together – was coordinated by the NFA in close partnership with local authority representatives, the Local Government Association (LGA) and the Department for Communities and Local Government (DCLG). This collaboration makes Fighting Fraud Locally a strategy developed for local government, by local government.

To help counter local government's estimated annual fraud loss of £2.2 billion, the strategy contains practical recommendations to encourage the adoption of successful anti-fraud measures. It centres on a call for local government to:

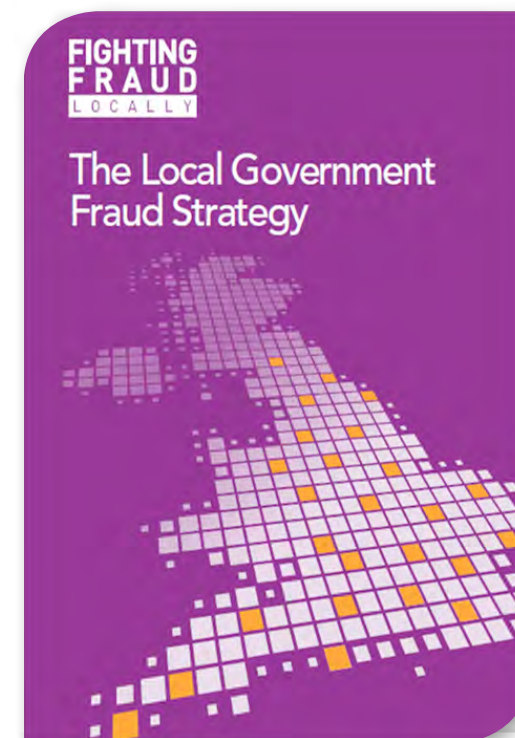
Acknowledge the threat of fraud and to realise the potential for savings that exist;

Prevent fraud before it happens by enhancing fraud controls and developing an anti-fraud culture, and;

Pursue fraudsters via a robust enforcement response, therefore deterring others.

An oversight board – including representatives from local authorities, the LGA, DCLG and NFA – will oversee the delivery of the strategy and a number of products have been developed to support this:

- **a fraud checklist** to help local authorities identify possible gaps in a council's current fraud response;
- **an online fraud resilience check** to help local authorities measure their resilience to fraud and assess if they need to improve;
- **a counter fraud and corruption e-learning training course** to help councils raise levels of awareness among staff and facilitate better detection rates; and
- **an online 'fraud zone' and discussion forum** containing examples of anti-fraud best practice.



For a full copy of Fighting Fraud Locally, visit the [NFA website](http://www.nfa.gov.uk). The online toolkit is available for local authorities at www.tisonline.net

Tackling fraud in the voluntary sector

In June 2011, the NFA initiated a project to mitigate fraudulent losses sustained within the voluntary sector, currently estimated to stand at £1.1 billion a year.

The NFA – working with representatives from the voluntary sector, law enforcement agencies and regulatory bodies – created a steering group to coordinate the delivery of the project. In the near future, we will see:

- Publication of guidance to advise trustees and managers of small charities on how they can reduce their chances of falling victim to fraud and how to deal with it if an incident is uncovered.
- Production of guidance for the general public to help ensure that they can donate safely and be sure that their money is going to their intended charitable cause.

In addition, two members of the steering group – The Institute of Chartered Accountants in England & Wales and the Charity Commission – have established a programme to give charities the option of having an accountancy professional undertake a review of their financial controls and risk management systems on a pro bono basis.

This work will continue over the coming months, with the chair of the steering group being handed over to the Charity Commission so that leadership is maintained within the voluntary sector. Future initiatives seek to develop an improved system for reporting

charity fraud and enhance the sharing of information between the voluntary sector and law enforcement agencies.

Delivery on this project also falls under Fighting Fraud Together, as part of the cross-sector strategy to reduce fraud.



Update from the National Fraud Intelligence Bureau

The NFIB continues to focus on the threat posed by organised crime, and in March brought together counter fraud agencies and law enforcement from across the country for the first national tasking.

Representatives from the ten ACPO Regional Operational Command Units, Serious Organised Crime Agency, Serious Fraud Office, Financial Services Authority and HM Revenue & Customs came to the Bureau to share intelligence and identify new forms of disruption and prevention.

The NFIB team provided an overview of the current threat areas and accepted bids from the FSA and the Yorkshire and Humber, North West and South Eastern regions for assistance on tackling serious organised crime.

Their intelligence was run through the Know Fraud system and assessed by analysts ahead of the next NFIB National Tasking meeting.

The Director of the NFIB, Det Supt David Clark, said:

“This was a moment when the NFIB opened its doors to extend its reach and increase the support and expertise it provides to the UK law enforcement agencies working with us to combat fraud.”

The increased offensive against organised crime and the part being played by the NFIB was also in evidence when a multi-agency task force moved against ‘money mules’ attempting to launder money through UK banks.

The operation was born from intelligence sharing through the new Economic Crime Operations Group, established to support the delivery of the Economic Crime Coordination Board.

NFIB analysis of the intelligence directed the City of London Police-led operation to 21 addresses across London and the Home Counties, leading to the arrests of 13 people.

National Fraud
Intelligence Bureau



Director of the NFIB, Det Supt David Clark

Crime reports through the NFA's Action Fraud service increase by 297%

Action Fraud received over 48,000 crime reports¹ in the year running from April 2011 to the end of March 2012.

The 297% increase – compared to figures for the corresponding time period over the preceding year – is due to the continuing expansion of the Action Fraud service, including:

- The roll-out of direct police reporting, where five forces now report fraud straight into Action Fraud;
- The introduction of reporting for all financially motivated internet crime in January 2012;
- The ability to handle information reports, where people can provide intelligence in relation to a fraud that they may not have been a victim of themselves.

The development of the Action Fraud reporting function is due to continue over the coming year, underpinning its position as the central point to report all fraud and internet crime.

New web address

The Action Fraud website has been redesigned and has a new address – www.actionfraud.police.uk

Its launch on a police.uk domain streamlines the service for crime reporting and reinforces its links with law enforcement.

Please update any links you may have and if you need an updated banner for your website, get in touch at action.fraud@nfa.gsi.gov.uk

Action Fraud
Report Fraud & Internet Crime
actionfraud.police.uk

¹ Crime reports are defined as reportable events which on the balance of probability constitute a recordable crime under Home Office counting rules.