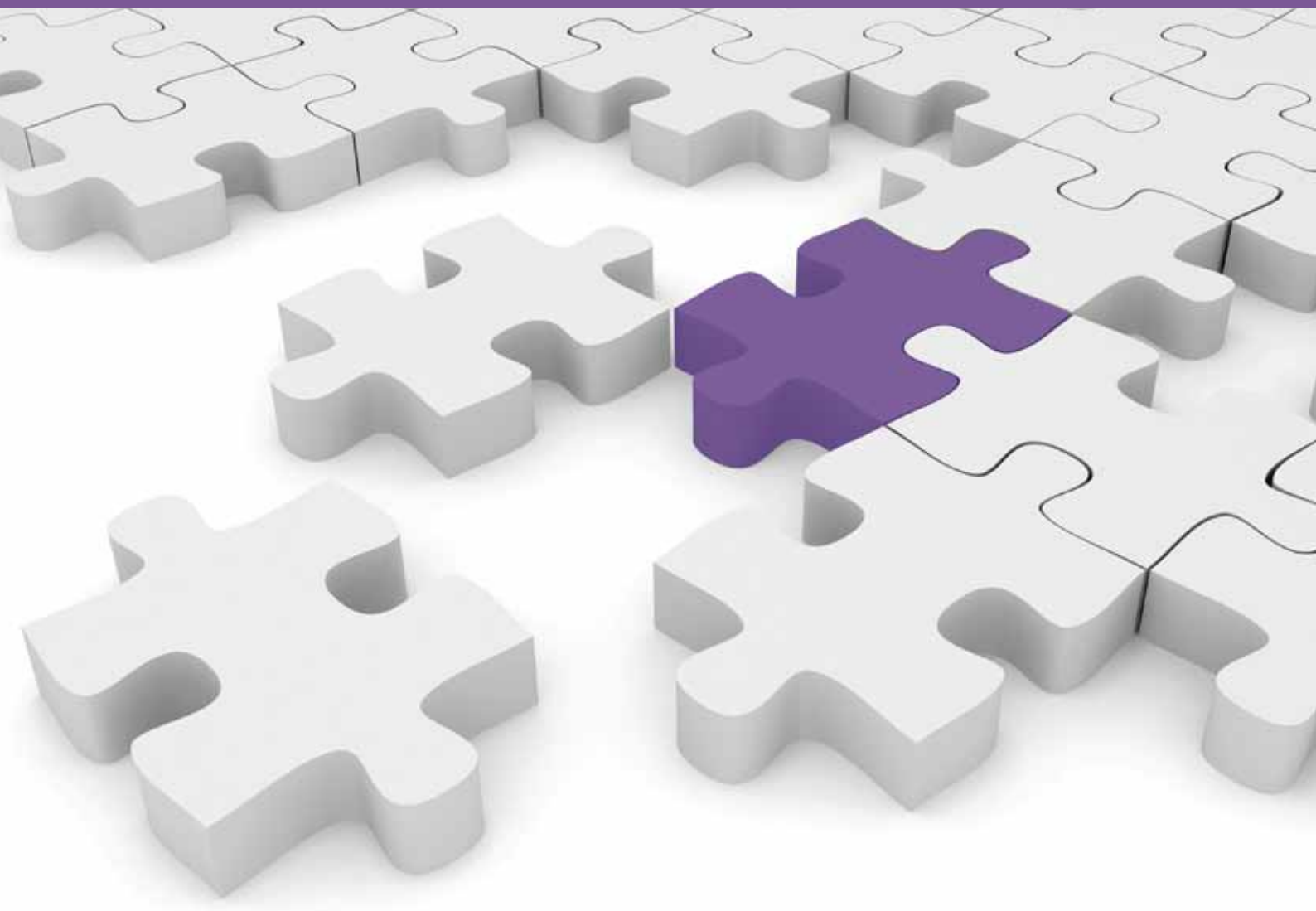




**National Fraud
Authority**



Business plan 2010/11



Tackling fraud in the UK

Every year, fraudsters take at least £30 billion of hard earned income from individuals, UK businesses and the public purse. It causes economic hardship and emotional harm. Fraud is often a highly organised crime, with the proceeds used to fund other serious crimes including drugs, guns, people trafficking and terrorism. For all of these reasons, fraud is one of the most serious criminal threats facing us today.



In 2006, the Government's Fraud Review recognised the harm fraud poses to the UK and made a number of recommendations for improving the national response. A total of £29m was allocated in the 2008-11 Comprehensive Spending Review to implement these recommendations.

The National Fraud Authority was established in 2008 to spearhead the fight against fraud. Specifically, we provide strategic oversight and co-ordination of counter fraud measures across England and Wales. One of our first tasks was to formulate a national strategy for dealing with fraud, which focused efforts and resources where they are most likely to be effective.

City of London Police was selected as the National Lead Police Force for fraud. Their role is to co-ordinate and improve the national police response to this crime.

Working together, in 2009 City of London Police and the National Fraud Authority launched both a National Fraud Reporting Centre (known as ACTION FRAUD) to provide a simple, central

point for individuals and small and medium sized businesses to report fraud and a National Fraud Intelligence Bureau, to analyse those reports alongside data inputs from the public sector and industry. The resulting intelligence reports, identifying patterns and trends, provide police and other investigative agencies with relevant information to target their fraud investigations.

These are all important pieces in the jigsaw, but we still have a long way to go. We estimate that fraud costs every adult in the UK an average of £621 a year. The sheer scale of this problem highlights the need for a more effective approach. Fraudsters are enterprising and flexible. As we disrupt and close down fraudulent operations, new technologies open up new routes for their activities.

We need to keep the pressure on and the National Fraud Authority's ability to co-ordinate, focus and direct the good work being done by counter fraud bodies across the nation is key to maintaining that pressure.

A handwritten signature in black ink, appearing to read 'Bernard Herdan', with a long horizontal stroke underneath.

Dr Bernard Herdan CB
Chief Executive
National Fraud Authority

Highlights of achievements 2009/10

Over the past year, the National Fraud Authority (NFA) has become established as a stable, delivery-focused organisation with a high degree of knowledge and expertise in counter fraud work. We have also demonstrated a growing capability to solve problems and catalyse effective action. In our first year of operation, we have worked with partners in the counter fraud community to:

Provide a clearer picture of the scale of economic harm to the UK from fraud, establishing the NFA Annual Fraud Indicator and, in January 2010, improving the estimate of the true cost of fraud to over £30bn per annum.

Create and lead multi-agency task forces on identity crime and information sharing, to identify and start resolving key problems and barriers to success.

Jointly commission, with the Association of Chief Police Officers (ACPO) Economic Crime Portfolio, the widest research yet on the impact of fraud on victims. The research revealed that the support offered to fraud victims did not meet their needs. As a direct result, the NFA has worked with Victim Support and others to pilot new arrangements to radically improve their experience.

Deliver ACTION FRAUD, the national fraud reporting centre, offering individuals and small and medium-sized businesses the opportunity to report fraud and gain advice and support to avoid re-victimisation. ACTION FRAUD was launched in October 2009 and rolled-out nationally before

the end of March 2010. Calls to ACTION FRAUD have risen to around 2,000 per month and the reports made by victims have already helped identify significant scale frauds, which are now being investigated.

Act as a catalyst for specific intervention activity to reduce the harm caused by major fraud threats including mortgage fraud and mass marketing fraud.

Establish, with the Serious Fraud Office, a strategic forum and operations board for the counter fraud community. This generated performance intelligence to inform a review of the effectiveness of current fraud enforcement arrangements.

Make a major contribution to the Cabinet Office's review of organised crime 'Extending Our Reach' and highlight the link between fraud and serious organised crime.

Lead the cross-Government Fraud Task Force identifying ways of reducing fraud in the public sector, in response to the Smarter Government White Paper.

The 2010/11 plan builds on these achievements and drives forward our continuing work in many of these areas.

A strategic direction for the counter fraud community

There is no quick solution to the challenges fraud presents. Fraud is a complex crime, which, by many, is still misunderstood and not always taken seriously. However, due to the continued dedication of the counter fraud community, working within the context of the National Fraud Strategy, awareness of fraud and its impact on society grows steadily as does the ability to put a stop to this devastating crime.

National Fraud Strategy

The Government's Fraud Review (2006) recognised that we have an extremely complex and fragmented counter fraud landscape. It found that many different agencies and organisations across the public, private and voluntary sectors were tackling fraud and there were many pockets of excellence, but there was little joined-up activity and no consistency in our approach to fighting fraud. The Review concluded that greater co-operation was essential to achieve a real impact.

The Government set up the National Fraud Authority (NFA) in 2008 as a small but high powered body to draw the efforts of the counter fraud community together.

As an executive agency of the Attorney General's Office, the NFA accesses decision makers and ministers in key departments and senior personnel in the private sector to eliminate barriers to successful fraud detection, prevention, investigation and prosecution. Our role is also to collaborate with a huge range of stakeholders to make it harder for fraudsters to operate.

One of our first tasks was to draft and publish the National Fraud Strategy. This three-year blueprint set the direction for the nation's counter fraud activity, providing the community with a strategic framework for activity and measures of success. We will be conducting a review of this strategy in the coming year, but the four strategic aims it outlined for the counter fraud community remain at the heart of all our work. These are:

- Building and sharing knowledge about fraud
- Tackling the most serious and harmful fraud threats
- Disrupting and punishing more fraudsters while also improving support for their victims
- Improving the nation's long-term capability to prevent fraud

Looking ahead to 2015 – a longer term plan of action

There is still much to do to make the UK a truly hostile environment for fraudsters. To achieve this, there needs to be a clear framework and sustained collaboration, now and for the long term. That is what the NFA is here to provide.

We will build on our existing achievements and take a more radical, holistic approach to delivering improvements, based on a stronger knowledge/evidence base and greater alignment of counter fraud activity.

The work we will undertake in 2010/11 will enable us and our stakeholders to make further progress towards achieving our longer-term objectives.

By 2015, we and our partners are committed to:

- Developing a much more specific, intelligence-based view of what the scale and growth of the problem is, and the priorities for action
- Reversing the upward trend in the cost of fraud in this country
- Increasing the police priority attached to fraud and achieving stronger linkage to the organised crime agenda
- Increasing resources applied to counter fraud activity through better public and private sector collaboration
- Increasing the amount of prevention, deterrence and disruption activity
- Achieving faster justice, tougher penalties and higher levels of asset recovery
- Increasing public and business awareness of fraud and self-protection measures

This is what success will look like for the National Fraud Authority and National Lead Force, working with the counter fraud community. The rest of this document outlines the specific priorities and activities that we and our delivery partners will pursue in 2010/11 as we continue our work to deter and prevent fraud in the UK.

The National Fraud Authority

Our ambition

The National Fraud Authority aims to be the acknowledged champion of the country's fight against fraud and, through collaborative efforts, to secure a demonstrable reduction in the harm caused by fraud.

Our mission

Working through and with our stakeholders we will: drive and co-ordinate the delivery of targeted, well-defined interventions in priority areas; build awareness of fraud; improve support for victims and co-ordinate the efforts of the counter fraud community, in order to make substantial improvements to the country's ability to prevent, deter, disrupt, detect, prosecute and punish fraudsters and to recover assets.

Measuring success

In this document we set out in detail our plans for the projects and activities we plan to complete in the coming year and the key performance indicators (KPIs) by which our success will be measured. This includes monitoring the perceptions and feedback of our stakeholders.



Strategic objectives

The National Fraud Authority has identified eight strategic objectives which will make the biggest difference and most positive contribution to the fight against fraud in England and Wales in the year ahead and beyond.



To improve information sharing between and within the public and private sectors, in order to prevent and detect more fraud.



To address key fraud enablers and high threat areas by prioritising and driving forward specific multi-partner interventions to reduce them.



Through the ACTION FRAUD reporting centre, to increase and improve the reporting of fraud and to harness the information collected to achieve better prevention and enforcement of fraud.



To ensure there is an appropriate balance in the criminal justice system between fraud prevention and disruption and the use of criminal justice powers and that the criminal and civil enforcement measures used against fraudsters are as effective as possible.



To improve the level of support and advice given to fraud victims.



To champion and co-ordinate the counter fraud community, helping it become more joined up, more efficient and effective. We will do this by building relationships, sharing good practice, dealing with the gaps and overlaps and helping to streamline the counter fraud community landscape.



To improve public and business awareness of fraud and self-protection from it.



To build and exploit improved information and knowledge, providing a centre of expertise to raise the priority of fraud, secure and target counter fraud resource appropriately and achieve better prevention and enforcement of fraud.

Our portfolio of projects and activities for 2010/11 has been designed, prioritised and resourced to support the delivery of these strategic objectives. In the following pages we outline the specific programmes of activity we will pursue in 2010/11 and the ways in which we propose to measure our success.

NFA projects and activities 2010/11

Strategic objectives



To improve information sharing between and within the public and private sectors, in order to prevent and detect more fraud

Measured by KPI 1



Through the ACTION FRAUD reporting centre, to increase and improve the reporting of fraud and to harness the information collected to achieve better prevention and enforcement of fraud

Measured by KPI 2



To improve the level of support and advice given to fraud victims

Measured by KPI 3

Project/activity overview

Information sharing

Working with members of the NFA's Information Sharing Task Force and other key stakeholders, we will continue to investigate and resolve issues and information sharing blockages.

We will also identify and promote good practice in information sharing in the fraud prevention arena.

ACTION FRAUD

We will operate ACTION FRAUD nationally, making it the primary place for individuals and SMEs to report fraud by telephone and online.

We will drive up the quantity, quality and cost effectiveness of ACTION FRAUD reports, the information provided to the National Fraud Intelligence Bureau (NFIB) and the referrals provided to Victim Support.

We will publicise the service so that people who need to report fraud or want advice and guidance about fraud, know about ACTION FRAUD.

Support for victims

We will roll out the enhanced Support for Victims programme nationally, delivering a range of training to relevant Victim Support staff and supporter networks.

We will run and evaluate pilot arrangements to support SME fraud victims in the West Midlands and work with partners to take forward across the country those elements of the pilot that add value and are affordable.

We will disseminate advice to reduce victimisation and update guidance on the ACTION FRAUD website regularly.

We will explore options for a service to support the most vulnerable/chronic repeat victims of fraud, who do not call ACTION FRAUD.

We will work with the Office of Criminal Justice Reform (OCJR) to extend the reach of the Victim's Code to non-police enforcement agencies investigating fraud.

Strategic objectives



To improve public and business awareness of fraud and self-protection from it

Measured by KPI 4



To build and exploit improved information and knowledge, providing a centre of expertise to raise the priority of fraud, secure and target counter fraud resource appropriately and achieve better prevention and enforcement of fraud

Measured by KPI 5



To address key fraud enablers and high threat areas by prioritising and driving forward specific multi-partner interventions to reduce them

Measured by KPI 4, 6, 7, 8

Continued over the page

Project/activity overview

Awareness and engagement

We will ensure fraud stays high in the public's awareness by maintaining a steady flow of information about fraud and prevention measures.

We will conduct research to clearly define key target groups by level of vulnerability and behaviour, so that we can execute targeted awareness and education messages both to them and to victims of fraud.

We will work with private sector partners to help leverage their own communication channels and apply a more consolidated and targeted approach to increasing self-protection awareness.

Measurement and analysis

We will obtain more complete, accurate and meaningful comparable fraud estimates and publish these in the second NFA Annual Fraud Indicator (January 2011).

We will help improve the reliability and usefulness of fraud estimates across different sectors, industries and organisations by developing best practice guidance on fraud measurement.

We will perform targeted measurement exercises to help prioritise and evaluate the effectiveness of counter fraud activity.

Scoping studies

We will respond to requests and demands to investigate fraud types causing the most harm/threat and identify the most cost effective and deliverable way(s) of reducing the harm they do.

Mass marketing fraud (MMF)

We will co-ordinate the partners to deliver the MMF Control Strategy and action delivery plan through our chairmanship of the MMF programme board.

We will work with partners to develop systems to:

- Enable bulk take-down on email addresses, internet sites, telephone numbers and merchant accounts used by MM fraudsters
- Disrupt the abuse of mail delivery systems by MM fraudsters
- Alert bank customers of bank accounts linked to known or suspected MMF

We will help develop a MMF single point of contact (SPOC) network for police and other enforcement agencies so that intelligence and warnings can be shared effectively.

Strategic objectives

Continued from page 9

Project/activity overview

Accommodation addresses

We will maintain the Accommodation Addresses project board and work with its members to establish a single, secure database. This will be used as a tool to help the counter fraud community identify and act upon suspected applications.

We will garner support from industry for a common set of standards of preventative checks on those who open up accommodation addresses and, with industry, seek to launch a code.

Fraud in the public sector

We will lead the design, co-ordination and delivery of a programme of work to implement the Smarter Government Fraud Task Force report recommendations.

Identity (ID) crime

We will continue to lead multi-agency work to crack down on identity crime.

We will deliver a strategic threat assessment of the harms caused by ID crime, how ID fraud is perpetrated and the vulnerabilities of ID credentials.

We will conduct an evaluation of ID authentication, establish best practice and make recommendations to improve ID fraud prevention and detection.

We will disseminate best practice and ensure vulnerabilities exploited by criminals are shared with the counter fraud community.

We will work with public and private sectors to improve public awareness of ID crime.

We will improve and roll out the ID victims toolkit to all Victim Care units and partner agencies.

Mortgage fraud

We will lead and co-ordinate the Mortgage Fraud Forum and oversee the delivery of the Mortgage Fraud Action Plan to ensure it drives forward actions to combat mortgage fraud, including tackling the seven priorities identified by the Forum.

Strategic objectives



To ensure there is an appropriate balance in the criminal justice system between fraud prevention and disruption and the use of criminal justice powers and that the criminal and civil enforcement measures used against fraudsters are as effective as possible

Measured by KPI 8



To champion and co-ordinate the counter fraud community, helping it become more joined up, more efficient and effective. We will do this by building relationships, sharing good practice, dealing with the gaps and overlaps and helping to streamline the counter fraud community landscape

Measured by KPI 7, 8

Project/activity overview

Counter Fraud Strategy Forum

We will continue to lead the Counter Fraud Strategy Forum, which comprises representatives from the public sector and law enforcement. We will provide its secretariat and help to identify the gaps in the counter fraud response and promote solutions which will improve the efficiency and effectiveness of the counter fraud landscape. This will include highlighting any systemic weaknesses that hinder the effective flow of cases to investigation or prosecution agencies.

We will review the balance between fraud prevention/disruption and enforcement across the counter fraud community.

We will provide a consolidated counter fraud community view to the Government's wider response to serious organised crime.

Narrowing the fraud justice gap

We will review the criminal justice system response to fraud and recommend policy solutions where appropriate, including potential for greater use of civil powers to recover assets from criminals.

Setting the National Fraud Strategy

We will review the National Fraud Strategy published in 2009 and develop a new National Fraud Strategy embracing the whole counter fraud community. This will be published by the end of the year.

Representing fraud across law enforcement

We will maintain strong relationships with our partners at NFIB, Lead Force and elsewhere in law enforcement to ensure a fully effective and co-ordinated response to criminal threats and activities.

We will continue to raise the profile of fraud in the Government's strategy to counter serious organised crime by providing resources for the Home Office, chairing the Control Strategy programme board for non-fiscal fraud and providing quantitative estimates of the relationship between fraud and serious organised crime.

Fraud investigation

Following scoping work conducted in 2009/10, we will ensure arrangements are in place for common standards and accreditation of fraud investigation training.

We will develop and issue good practice guidance on private funding of police fraud investigations and conduct feasibility studies on establishing fraud investigation units funded jointly by the public and private sectors.

Key performance indicators/targets 2010/11

An overarching success measure for all our work is to increase stakeholder satisfaction that we are making a positive impact on the fraud problem and making a difference to their organisations. In April 2010/11, we will baseline the level of stakeholder satisfaction with the NFA and target a 5% increase by the year end.

In addition, we have identified the following key success measures for the NFA. Some are specific to individual projects/workstreams and some cut across all aspects of NFA activities. The activities for 2010/11 that underpin these KPIs represent the first step in a longer-term plan to deliver fundamental improvements against the indicators.

1. Information sharing between different public and private sector bodies, to prevent and detect more fraud

In 2010/11, with our Information Sharing Task Force partners, we will resolve at least four information sharing barriers in areas of key significance. These will focus on preventative measures, sharing between public and private sector, and high volume verification of data or bulk sharing that does not require significant legislative change.

2. Completeness of fraud reported by victims

For 2010/11, our target is to handle a forecast 100,000 contacts via ACTION FRAUD, to defined quality standards.

We will also develop a baseline 'top down' measure on the overall volumes and proportion of reported frauds (through the various reporting channels) versus non-reported frauds and, with our partners, develop a strategy and plan to drive up the completeness of reporting.

3. Satisfaction of fraud victims with the follow-up support and advice they receive

In 2010/11, we will survey victims who have reported to ACTION FRAUD during the year and target an increase in their satisfaction with the support arrangements we provide.

We will also work with OCJR and others to identify an appropriate 'top down' measure for support to victims of fraud. We will benchmark this with victims from other crime groups.

4. Awareness and self-protection from fraud, by the public and businesses

In 2010/11, we will baseline the current levels of awareness and self-protection among members of the public and, with a range of partners, develop a strategy and plan to increase them.

5. NFA Annual Fraud Indicator

The NFA's Annual Fraud Indicator for 2009 will be published in quarter four 2010/11. It will be more comprehensive than that for 2008 and will target three priority areas for more detailed measurement and analysis.

6. Improvement in the nation's response to identity fraud

By September 2010, alongside our ID Task Force partners, we will produce a strategic threat assessment of ID crime, along with a plan of action to significantly improve the nation's response to this key enabler of fraud.

7. Public sector fraud

We will lead the production of the action plan against the Smarter Government Fraud Task Force recommendations by the end of May 2010. We will seek to manage delivery of that plan to achieve the published targets for savings in public sector fraud in 2010/11 and subsequent years.

8. Performance of the Counter Fraud Strategy Forum

In 2010/11, we will deliver more comprehensive management information on the nation's counter fraud performance. This will include developing measures to assess the value of fraud prevention initiatives as well as improving our understanding of the levels and value of traditional fraud enforcement activities such as investigation, prosecution and sanctions. By the year end we will make evidence-based recommendations for change.

Resources

For the 2010/11 financial year, the National Fraud Authority has funding of £4 million for its core activities. ACTION FRAUD has further funding of £1.9 million. There are 55 staff working for the NFA (excluding the call centre activities outsourced to BSS). We have a small corporate services and support unit and make extensive use of shared services to minimise our administrative overheads, which are approximately 12 per cent. Funding beyond 2010/11 will be subject to a future Comprehensive Spending Review process.

For details of our organisation structure and senior management team please see our website, www.attorneygeneral.gov.uk/nfa

Summary of key NFA activities in 2010/11

A new programme of work focused on public sector fraud, building on the Smarter Government work

Strengthen understanding of counter fraud investigation and prosecution performance

Unblocking obstacles to information sharing within and between sectors

Pursuing improvements in the criminal justice system's response to fraud

Increasing the volume of fraud reports into ACTION FRAUD

Production and dissemination of best practice guidance for widespread application

Improving the level of support and advice offered to fraud victims

Continued refinement and updating of fraud loss measurement

Building fraud awareness and self-protection by citizens and businesses

Interventions into ID crime as a key enabler of fraud

Working closely with police/Lead Force to raise the profile of fraud and build capabilities

Interventions into mass marketing fraud, misuse of accommodation addresses and mortgage fraud as key threats

Revision of the National Fraud Strategy, with publication towards the year end



**National Fraud
Authority**





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Any further update to this plan will be published on the NFA website



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