



Home Office

# Covert Human Intelligence Sources (Criminal Conduct) Bill

Operational Case Studies

September 2020



Home Office

## Disclaimer

- The details here are sanitised to protect the security, welfare and identity of the agents involved.
- This is an explicit duty in RIPA and is aligned to the agencies other legal and moral responsibility to protect such individuals.
- Where examples include undercover work the tactics and operative are often used within prosecutions with detail already in the public domain and therefore it is possible to safely give more details of these cases. Where this is not the case then hypothetical case studies are used.



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MI5



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Medicines & Healthcare  
products  
Regulatory Agency



NCA  
National Crime Agency



SFO | serious  
fraud  
office



Immigration Enforcement



Her Majesty's Prison & Probation Service



Department  
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GAMBLING  
COMMISSION



Food  
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Agency



CHIS participation in criminal activity has been critical in investigating and preventing crimes including Child Sexual Exploitation, Solicitation to Murder, and other criminal offences.

Real-life examples

**Solicitation to Murder**

A woman recruited a person she believed to be a contract killer to murder her husband. She was arrested and convicted of solicitation to murder and was sentenced to six years imprisonment. The man recruited was in fact an undercover police operative who provided evidence during the trial. An Undercover Operative without participation authorisation could not have undertaken this activity.

**Child Sexual Exploitation (1)**

In 2013 an undercover operative with appropriate authorities to participate in crime infiltrated a paedophile network, which culminated in the arrest of man who planned to pay to rape a 5-year boy and 6-year girl. When arrested further evidence of his offending was identified from his computer. The male pleaded guilty at Southwark Court and received 8 years prison sentence.

**Child Sexual Exploitation (2)**

In 2018 a man interacted with a “child” by initially pretending to be a 15-year-old boy. The subject shared indecent images with the “child” and agreed to meet after admitting he was an adult. The subject was arrested and subsequently convicted receiving a sentence of six years imprisonment and four further years on license.

He was found guilty of attempting to meet a child under the age of 16 following sexual grooming, attempting to engage in sexual communication with a child under the age of 16, attempting to cause a child under 16 to watch a sexual act, distribution and making of indecent images of children. The “child” he interacted with was an undercover operative who provided evidence in the trial.

*There are operational challenges in providing public detail of specific use of CHIS. However, where undercover tactics are used within prosecutions some detail is already in the public domain and therefore it is possible to safely give more details of such cases.*

**Key Facts**

Between November 2018 - 2019, CHIS operations within the Metropolitan police area alone have led to 3500 arrests, recovery of over 100 firearms and 400 other weapons, seizure of over 400 kg of Class A drugs, and over £2.5m cash.





The capability to authorise CHIS participation in criminality enables HMRC to tackle crimes such as trafficking of illicit excise goods; illicit laundering of fuel; fraudulent evasion of income tax; evasion of VAT; money laundering; and cyber-attacks.

Real-life examples

**Operation Relevant Source (1)**

An HMRC CHIS was tasked to portray the role of a UK based “facilitator” to arrange for the importation into the UK of consignments of cigarettes upon which duty would not be paid. The overall risk to revenue was calculated at £96 million. The criminal conduct authorised included being knowingly concerned in the fraudulent evasion or attempt at evasion of duty in contravention of section 170(2) Customs and Excise Management Act 1979 and dealing with goods having reason to believe that VAT will be evaded, contrary to section 72(10) of the Value Added Tax Act 1994.

**Operation Relevant Source (2)**

HMRC was involved in an investigation targeting an international Organised Crime Group (OCG) dealing with the illegal importation of non-duty paid cigarettes to the UK. An HMRC CHIS portrayed the role of ‘controller’ of the cigarettes in the UK, with the intention that the OCG would pay the CHIS for counterfeit cigarettes. This would result in over £3 million revenue being evaded. The criminal conduct authorised included being knowingly concerned in the fraudulent evasion or attempt at evasion of duty and offering smuggled goods for sale, contrary to the Customs and Excise Management Act 1979.

**Key Facts**

Since April 2015 Her Majesty's Revenue and Customs has authorised various participating CHIS and participating Relevant Sources. Their participation roles are considered minor, with several other investigative tools then used to gather evidence.

In the past two financial years (2017-19), it has been assessed that CHIS authorised by HMRC have prevented hundreds of millions of pounds of tax being lost.

In addition, one particular participation case is anticipated to prevent fraudulent repayment claims, resulting in a significant loss of revenue to The Treasury, estimated to exceed £100 million.





MHRA authorise activity that would otherwise constitute offences under the Misuse of Drugs Act 1971. This and similar activity is vital for the agency to be able to conduct operational work to combat what are often organised crime networks. Without such capability these groups would be more able to exploit the UK to raise criminal funds and damage the integrity of the prescription drug markets. The examples below have already been to court and are therefore already in the public domain.

## Real-life examples

### Undercover Operatives (1) Operation Supercharge

An Operation was conducted by the MHRA into the sale and supply of prescription medicines that have been removed from the UK supply chain. An authorisation was granted over a 4-month period to identify individuals linked to this criminal network. A participation authority is required to allow an authorised individual to purchase the controlled medicines on the “black market” which is a criminal offence. The operation was successful in identifying those involved leading to 7 arrests and dozens of illegally obtained medicines, destined for sale to the public being seized, further assisting the MHRA in protecting public health by removing this criminal activity.

### Undercover Operatives (2) Operation Corporate

This operation was initiated by the MHRA as a result of intelligence that a number of healthcare professionals who are authorised to purchase, store and distribute prescription only medicines, were engaged in the sale of these controlled drugs on the black market. An authority to participate was granted to allow those authorised to engage and build a relationship with those suspected of being involved, with the view that if offered these controlled drugs, they would be in a position to purchase them. The operations lasted 10 months, with the authorised person engaging with the criminal network in detail and identifying specific intelligence that allowed the network to be disrupted, thus assisting the MHRA in protecting public health.

## Key Facts

5 separate operations conducted by the MHRA resulting in 16 arrests and over 5.9 million medicines identified and seized that were being offered for sale to the general public outside the normal prescribing practices put in place to protect public health.

Operational activity which has been directly influenced by the use of this tactic has also resulted in over £5.2m worth of criminal benefit being attributed to organized criminal gangs.





The Environment Agency (EA) has responsibility for investigating criminality including illegal dumping or exporting of waste, pollution of water sources or drainage systems, and poaching endangered species. Organised Crime Groups (OCG) are becoming increasingly involved in these areas.

### *Hypothetical examples*

#### Illegal waste movements

A maintenance engineer alerted the EA to waste being deposited illegally by a company they are working for. The site appears to be using a number of illegal immigrants believed to be victims of modern slavery. The caller is employed to maintain a fleet of vehicles used for transporting chemical waste to various sites, where it is poured into soakaways and drains, burned or buried. The caller states the company is operated by an OCG.

The caller was asked to repair a lorry, loaded with hazardous chemical waste, but instead disabled it. If they do this again the OCG will get suspicious. The caller offers to provide information on disposal sites and tip off when lorries are on their way. They may also be able to identify when key players are on site so the loads can be intercepted and the organisers apprehended, stopping further offending and protecting the public from the uncontrolled disposal of the hazardous waste. To do this they need to continue maintaining the vehicles and on occasion drive them, participating in the offending.

#### Endangered species poaching

A fisherman licenced to take a sustainable amount of an endangered species has become unwittingly involved with what they now know to be a gang of poachers who export the species to other countries for thousands of pounds a kilo. They work alone and at night in remote locations and the poachers intend to use their equipment, knowledge and the cover of their licence to undertake an illegal operation which will net hundreds of kilos.

The fisherman is prepared to tip off the EA, but given the timing and location are dependent on tides, weather and the species migration patterns, this will inevitably mean they have to participate in the illegal activity until the authorities are able to mount an operation in a remote area, at night with the staff and support necessary to capture and contain the offenders.

### Key Facts

Serious and organised waste crime is estimated to cost the UK economy at least £600 million a year and an independent review commissioned by the Home Office in 2018 found that perpetrators are often involved in other serious criminal activity, including large scale fraud and in some cases modern slavery.

As a result of prosecutions taken by the EA, businesses and individuals were fined almost £2.8 million for environmental offences in 2018.







The National Food Crime Unit (NFCU) is tasked with protecting consumers and the food industry from food crime within food supply chains. Examples of food crime include the use of stolen food in the supply chain, unlawful slaughter, diversion of unsafe food, adulteration, substitution or misrepresentation of food, and document fraud.

### *Hypothetical examples*

#### **Fraud and public health case study (1)**

An individual working within a food business, contacts handlers to pass on intelligence. This relates to the ongoing misrepresentation of meat as being of premium quality and the extension of meat durability dates, leading to out of date meat being consumed.

The continuing presence of the individual within the workplace necessitates them actively participating in presenting, packaging and re-labelling produce in order to misrepresent its quality and fitness for consumption, which are criminal offences. This provides opportunities for the evidential seizure of unfit produce and to identify those complicit in, and responsible for, directing fraudulent activity. As a result, evidence is available to support a successful prosecution.

#### **Fraud and public health case study (2)**

An employee of a food production company, specialising in Halal food, contacts FSA handlers. The CHIS inform them that they are regularly tasked by their employer to drive to a location, meet an employee of a pet food company and collect Animal By Product (ABP) which is condemned meat not fit for human consumption. The ABP is falsely represented and sold to consumers as Halal meat.

The CHIS continues to remain in the workplace, knowingly facilitating the collection, delivery and reduction into the human food chain of ABP. The continuing presence of the CHIS within the workplace is crucial in allowing FSA enforcement officers to mount an intelligence led intervention, maximising the opportunity to identify offenders, safeguard evidence and identify routes to market for potentially dangerous food in order to protect the public health.

