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12 March 2014

By Email: [xxxxxxxxxxxxxxxxxxxx](#)

Dear xxxxxxxxxxxx

**Request for Information FOI174/2014**

I write in connection with your request for information sent on 11 March 2014, seeking information on the amount of cash the force seized under POCA in the last financial year.

I would refer you in the first instance to a report presented to the Strategic Governance Board in October 2013. This report highlights the work conducted within Force with regards to Financial Investigations, as requested by the Police and Crime Commissioner. I have attached a copy of this report and the associated appendices for your information.

To satisfy your request and provide you with the most recent financial information I must inform you that this information is not held by the Office of the Police and Crime Commissioner for Derbyshire, this information may instead be held by the Derbyshire Constabulary and I have transferred your request to them.

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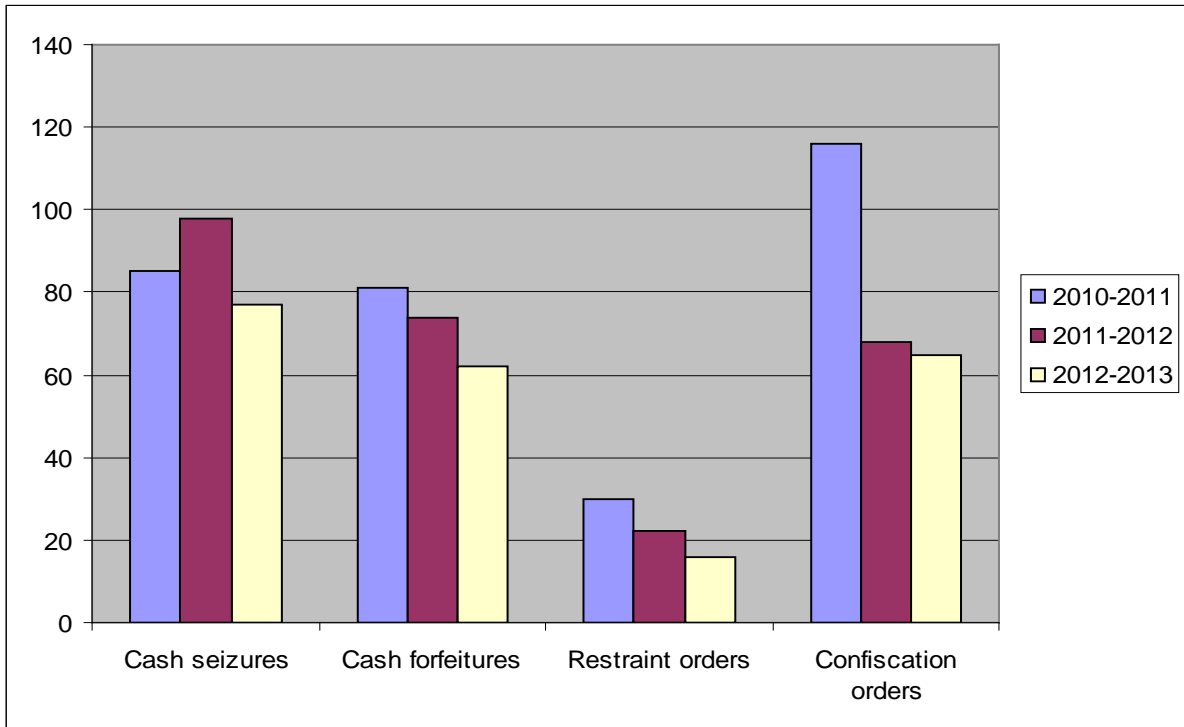
Should you have any further enquiries concerning this matter, please write or contact Elizabeth Kelly, Meetings and Information Officer, on telephone number 0300 122 6007 quoting the reference number above.

Yours faithfully

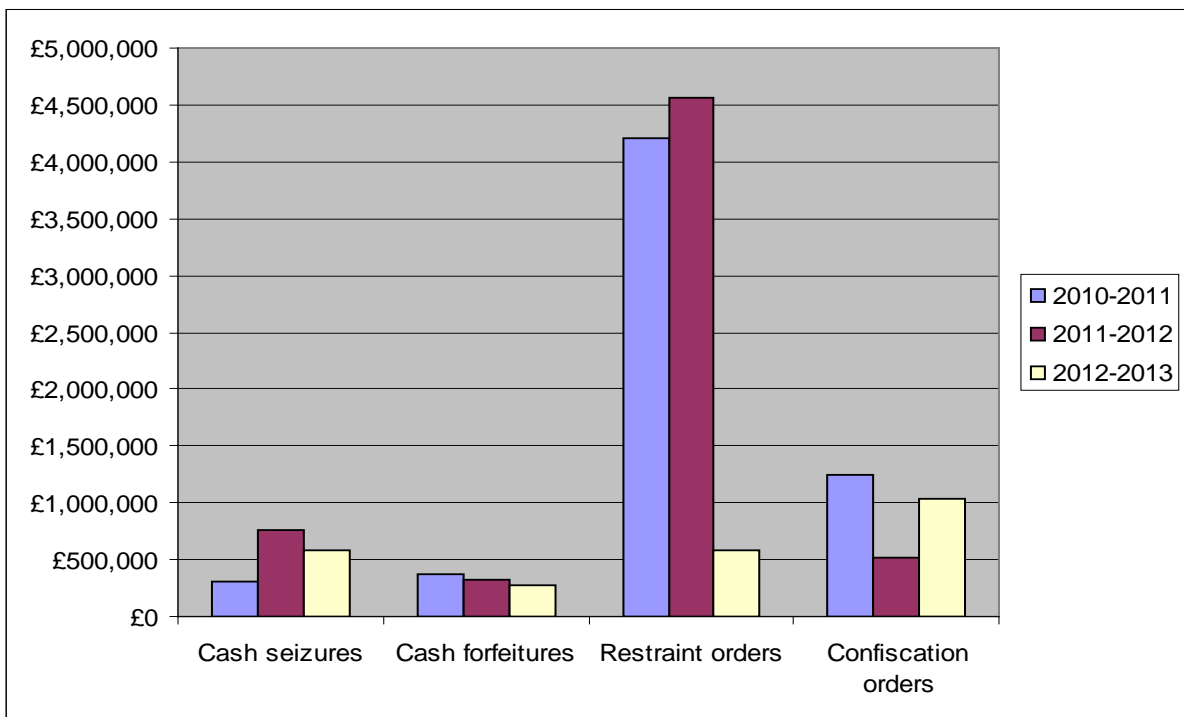
*Electronically Signed*

Elizabeth Kelly  
Meetings and Information Officer  
Office of the Police and Crime Commissioner for Derbyshire

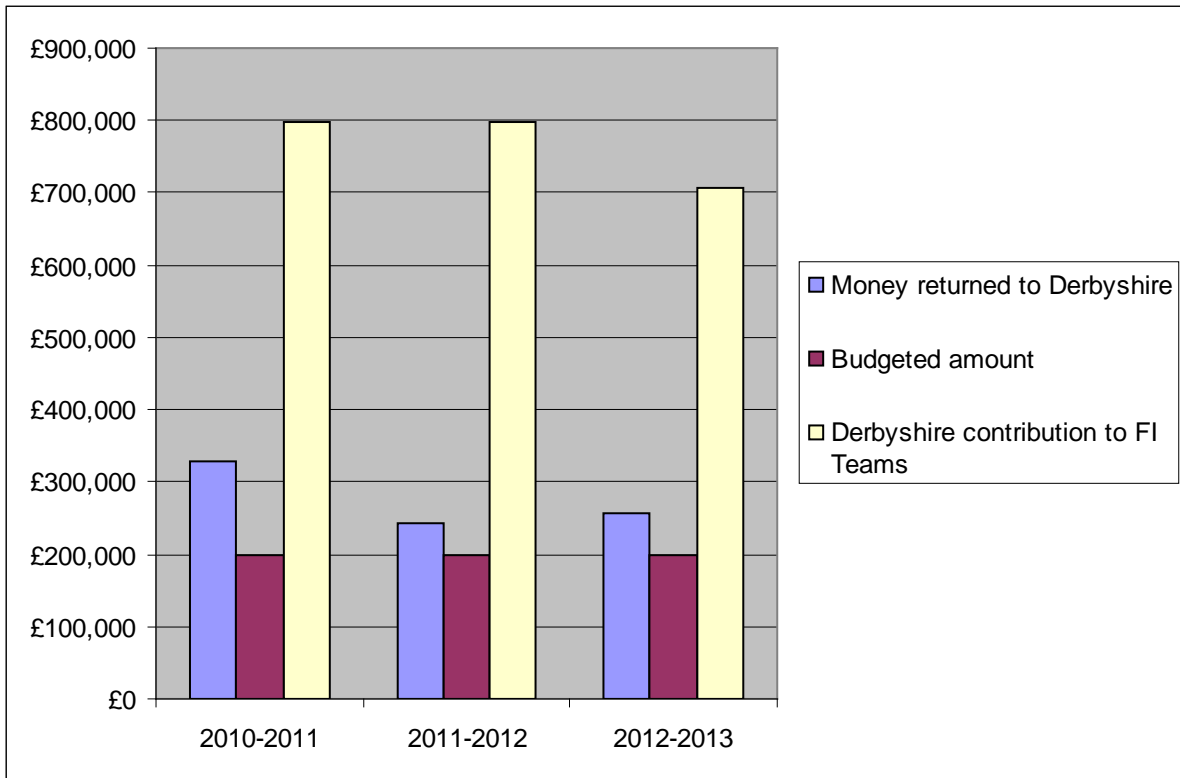
**Appendix A** Chart displaying volume of Cash Seizures, Cash Forfeitures, Restraint Orders and Confiscation Orders covering the last three financial years.



**Appendix B** Chart displaying the value of Cash Seizures, Cash Forfeitures, Restraint Orders and Confiscation Orders covering the last three financial years.



**Appendix C** Chart displaying the incentivisation monies returned to the Force, the amount budgeted by the Force with regards to incentivisation monies and the Force contributions to the Financial Investigation Teams covering the last three financial years.



	2010-2011	2011-2012	2012-2013
Money returned to Derbyshire	£328,120	£243,100	£257,643
Budgeted amount	£200,000	£200,000	£200,000
Derbyshire contribution to FI Teams	£798,303	£798,303	£705,835

**STRATEGIC GOVERNANCE BOARD**  
**14 OCTOBER 2013**  
**REPORT OF THE CHIEF CONSTABLE**

**12B: POCA/FINANCIAL INVESTIGATION**

**1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to highlight the work conducted within Force with regards to Financial Investigation, as requested by the Strategic Governance Board. In preparing this report, all appropriate statistics that relate to the last three financial years have been taken into consideration.

**2. INFORMATION AND ANALYSIS**

- 2.1 The Economic Crime Unit collates data in respect of all relevant aspects of financial investigation work that is conducted within Force. From this data, the following performance figures are produced with regards to cash seizures, restraint and confiscation work;

<b>Number and Value of Cash Seizures made</b>		
<b>Year</b>	<b>Number</b>	<b>Value</b>
2012-2013	77	£587,697
2011-2012	98	£752,807
2010-2011	85	£314,833

<b>Number and Value of Forfeiture Order imposed (Cash Seizures)</b>		
<b>Year</b>	<b>Number</b>	<b>Value</b>
2012-2013	62	£273,886
2011-2012	74	£322,395
2010-2011	81	£378,871

<b>Number and Value of Restraint Orders imposed</b>		
<b>Year</b>	<b>Number</b>	<b>Value</b>
2012-2013	16	£585,072
2011-2012	22	£4,557,389
2010-2011	30	£4,207,122

**Number and Value of Confiscation Orders imposed**

Year	Number	Value
2012-2013	65	£1,034,897
2011-2012	68	£524,043
2010-2011	116	£1,242,797

2.2 Two charts have been prepared, displaying the above data. The first chart identifies the volume of all cases (see Appendix 'A') whilst the second chart displays the values of all cases (see Appendix 'B').

2.3 It should be noted that the numbers and the values of the cases in respect of cash seizures, restraints and confiscation orders all overlap from year to year. Cases are never guaranteed of coming to fruition during the same year the investigation commenced with the more complex investigations sometimes taking years to complete.

### **National Incentivisation Scheme**

2.4 As a result of the National Incentivisation Scheme, a percentage of monies that are forfeited under the cash seizure provisions or confiscated under the Proceed of Crime Act legislation are returned to the Force via the Home Office. The government retain 50% of all monies that are forfeited and confiscated. The remaining 50% is then available for incentivisation.

2.5 The Force is responsible for all actions undertaken in respect of cash seizure work including all applications that are made before the Magistrates Court and the payments of all forfeited monies to the Home Office. Having retained 50% of all monies that are forfeited under the provisions of the cash seizure legislation, the Home Office then pay the remaining 50% of the forfeited monies back to Force. This is not the same with monies that are confiscated. Unlike the cash seizure proceedings, confiscation is dealt with at the Crown Court and the Crown Prosecution Service and HM Courts have a part to play in the proceedings. The 50% of all confiscated monies that are available from the Home Office are then shared between the CPS, HM Courts and the Police with the Force receiving an actual payback of 18.75% of all monies confiscated.

2.6 Over the past three years the following monies have been paid back to the Force under the National Incentivisation Scheme;

<b>Incentivisation Monies received by the Force</b>	
Year	Value
2012-2013	£257,643
2011-2012	£243,100
2010-2011	£328,120

### **Financial Planning**

2.7 During the past three years Force financial planning has taken into consideration the potential monies that could be received from the Home Office via the National Incentivisation scheme. As a result of this planning, the Force has budgeted annually for incentivisation monies in the sum of £200,000 in respect of each of the last three years.

**The Financial Team - Force Contribution**

2.8 The Force Financial Investigation Teams currently consists of two units. The South Team, covering Derby Division, is made up of one Detective Sergeant, three Police Constable and two Police Staff Financial Investigators. The North Team, covering Buxton and Chesterfield Divisions, is staffed by one Police Staff Manager, three Police Constable and two Police Staff Financial Investigators. With ‘ongoing costs,’ the total costs of the staffing levels of both teams for the current financial year 2013/2014 will amount to £576,382.

2.9 Prior to November 2012, the Financial Investigation formation for the Force consisted of three separate teams;

- The North Financial Investigation Team
- The South Financial Investigation Team
- The Central Financial Investigation Unit.

(The North and South Financial Investigation Teams were previously named Proceeds of Crime Investigation Teams or POCITs)

2.10 In basic terms, the North and South POCITs were responsible for providing financial support for all front line officers, reviewing all crime files for restraint and confiscation work, referring all suitable restraint and confiscation cases to the Central Financial Investigation Unit and pursuing cash seizure work. The Central Financial Investigation Unit was responsible for all restraint work, confiscation investigation, Consent Reports and cash seizure work. Further information concerning Consent Reports is highlighted at paragraph 2.26.

2.11 The Financial Investigation Team formation, prior to November 2012, consisted of two Detective Sergeants, one Police Staff Manager, eight Constables, five Police Staff Financial Investigators and one Administration Officer (part time). The cost of the Financial Investigation arm of the Economic Crime Unit was significantly greater prior to November 2012. With the transfer of financial investigators to the East Midlands Region during November 2012, the Central Financial Investigation Unit was disbanded and the two new Financial Investigation Teams were formed. The cost of running the Force Financial Team was therefore reduced. It should be noted that the two Financial Investigation Teams that are currently established within Force have the responsibility for conducting all the duties that were previously undertaken by the three Teams (see paragraph 2.27).

<b>Derbyshire Contributions to Financial Investigation Teams</b>	
<b>Year</b>	<b>Value</b>

2013-2014	<u>£576,382</u>
2012-2013	£705,835
2011-2012	£798,303
2010-2011	£798,303

A chart has been prepared to evaluate the data in respect of;

- The incentivisation monies received by the Force
- The amount of potential incentivisation monies budgeted annually
- The Force contribution to the Financial Investigation Teams

Please see the chart attached to this report (see Appendix 'C').

### **The use of the Incentivisation Monies within Force**

- 2.12 All monies received from the Home Office via the National Incentivisation Scheme have been used to offset part of the costs of resourcing the Economic Crime Unit, apart from certain amounts that have been utilised in the Force's own incentivisation scheme.
- 2.13 Throughout the past three years the Force has operated its own incentivisation scheme and funds have been used from the monies received via the Home Office and allocated to the three BCU Commanders. Payments have been granted, based upon Divisional performance in the areas of financial investigation work. The monies are provided to the Divisions with the purpose of driving up performance around the use of financial investigation and to also aid local crime-fighting priorities.
- 2.14 With regards to the financial year 2012/2013, a total of £80,000 was allocated from the monies received from the Home Office for use within the Force incentivisation scheme. For the years 2010/2011 and 2011/2012, an annual sum of £50,000 has been allocated to the Divisions. Authority to allocate these monies has been granted by ACC (Crime and Territorial).

### **Success Rate – Confiscation**

- 2.15 During the past three financial years the Financial Investigation Team has conducted confiscation investigations that have resulted in the preparation and submission of a total of 379 cases for the purpose of pursuing confiscation at Court. From the completed confiscation cases, a total of 249 successful confiscation orders have been imposed by the Courts. This reveals a success rate of 66% with regards to all confiscation cases prepared.
- 2.16 There are a number of reasons for the failure in certain cases to successfully achieve confiscation. It should be noted that the work into the majority of confiscation cases starts at the commencement of the criminal investigations. This is necessary in order to establish criminal benefit and identify assets available for confiscation purposes, essential areas of work when progressing confiscation through the Courts. It is also vital that confiscation work commences at the earliest stage of a criminal investigation as possible, in

order to identify assets and apply restraint, preventing the dissipation of those assets and preserving them for the purpose of confiscation. It therefore follows that the majority of confiscation cases have been prepared prior to conviction for the criminal offences that have triggering the confiscation case. If the criminal case is unsuccessful, for whatever reason, then the confiscation case naturally fails. Confiscation can only be applied once a person has been convicted of a suitable criminal offence.

- 2.17 Confiscation cases also fail when a person is convicted of a lesser offence that was originally charged. For example, a person may be charged with an offence of possession of controlled drugs with intent to supply. This offence triggers confiscation and under these circumstances a confiscation case would be prepared. If, however, that person ends up being convicted of the lesser offence of the simple possession of controlled drugs, not an uncommon occurrence, then confiscation would fail as simple possession is not an offence that attracts confiscation.
- 2.18 It should be noted that confiscation is only pursued in cases that are suitable for confiscation and only progressed in cases that merit such action. It is crucial that confiscation investigations commence at the earliest opportunity of a criminal investigation. The failure in achieving a successful criminal conviction in any case will always thwart confiscation. To improve the success rate in the areas of confiscation is reliant upon the progression of good criminal cases by the Force where criminal benefit is significant and realisable assets are available. Improvement in the volume and value of confiscation is also dependant upon an increase in the numbers of appropriate criminal cases, suitable for confiscation action, that are pursued by the Force.

### **Types of Offences that Produce Confiscation and Forfeiture Orders**

- 2.19 With regards to the types of criminal offences that have resulted in securing a positive confiscation outcome, from the statistics that has been retained it is possible to identify the basic category of the offences. The offences are classed under three specific headings;
- Drugs Offences (drug trafficking, supply, production, possession with intent to supply)
  - Theft Offences (theft, fraud, burglary, deception, blackmail)
  - Money Laundering Offences (concealing and arrangements).
- 2.20 Examination of the data that has been collated over the past three financial years reveal that 61% of all the confiscation orders that have been imposed relate to drugs offences (153 cases), 35% relate to theft (88 cases), whilst 4% relate to money laundering (10 cases).
- 2.21 Cash seizure cases are civil actions that are taken against the actual money in question, not criminal action against the person(s) found in possession of the cash. Therefore no specific data has been retained with regards to the



circumstances surrounding the actions that triggered the cash seizure investigations.

### **Reactive and Proactive Investigations**

- 2.22 From the data that has been retained in respect of confiscation achievements, it is possible to identify all the planned operations that have been pursued within Force, providing a breakdown of all the reactive and proactive investigations. This type of data has not been retained in respect of cash seizure work and therefore such statistics are not available.
- 2.23 It should also be noted that the data that has been retained does not break down the circumstances of each investigation to such fine detail as to reveal the results emanating from submitted intelligence or stop searches.

<b>Confiscation Orders imposed – Planned Operations</b>		
<b>Year</b>	<b>Number</b>	<b>Value</b>
2012-2013	17	£328,376
2011-2012	2	£290,180
2010-2011	28	£710,824

<b>Confiscation Orders imposed – Reactive Investigations</b>		
<b>Year</b>	<b>Number</b>	<b>Value</b>
2012-2013	48	£706,521
2011-2012	66	£233,863
2010-2011	88	£531,973

### **Financial Work into Organised Crime Groups**

- 2.24 The Financial Investigation Teams provide full support into the investigation of all Organised Crime Groups. This involves pro-active financial investigation work, restraint, cash seizure proceedings and confiscation. This financial investigation work is significant and demands a great deal of the Financial Investigations Teams time and resources. It is estimated that between 30% and 40% of the Financial Investigation Teams resources are consistently spent on OCG work.
- 2.25 Over the past twelve months the financial investigation work conducted into Organised Crime Groups has naturally increased as the Force has undertaken more demanding OCG work. At this time, however, there is no financial data available to accurately assess the proportion of financial investigation work linked to OCGs, having specific regards to confiscation and cash forfeiture results. Such data will be available in time as the OCG work progresses and more cases come to fruition.

### **Impact of Regionalisation upon the Force Financial Investigation Team**

- 2.26 The formation of regional money laundering and fraud investigation teams has had a significant impact upon the Force Financial Investigation set up. In order to staff the regional teams, financial investigation officers have been taken from the original Divisional Financial Investigation Teams and the Central Financial Investigation Unit. This left insufficient financial investigators to staff a centrally based Financial Investigation Unit and North and South pro-active financial investigation teams.
- 2.27 In order to facilitate the best use of the financial investigators that were left within Force, the Central Financial Investigation Unit was disbanded and the remaining financial investigators then formed two units, the North and the South Financial Investigation Teams. The duties that were previously the domain of the Central Financial Investigation Unit are now undertaken by the North and South Teams. These responsibilities include all restraint cases, confiscation investigations, cash seizure work and Consent Reports.
- 2.28 The Consent Reports are the requests from the Regulated Sector requesting authority do deal with a future transaction where there are concerns within the Regulated Sector concerning possible money laundering activity (the Regulated Sector consists of the financial institutions, solicitors, accountants, and businesses dealing with cash transactions to the value of 15,000 Euros or more). A financial investigator must then investigate the report and either grant consent to the transaction taking place, if no criminal activity is discovered, or to refuse consent if the transaction is believed to relate to criminal activity and then restrain the money subject to the Consent Report and pursue a criminal investigation. On average, the Force receives 30 Consent Reports per annum.
- 2.29 The responsibilities of the two Financial Investigation Teams are;
- The provision of assistance and support to all front line officers with regards to all financial investigation work
  - To support all 'Organised Crime Group' investigation work within Force with regards to the application of financial Investigation
  - The review all crime files that are produced in order to identify and progress all Proceeds of Crime opportunities
  - To deliver training on all aspects of the proceeds of Crime Act and financial investigation work to the Divisions
  - The pursuit of all restraint work
  - The investigation into all confiscation cases resulting in the production of confiscation files and the presentation of those cases at the Crown Court
  - The management and progression of all cash seizure work

- The investigation of all Consent Reports received from the Regulated Sector via SOCA

### **The General Application of Financial Investigation Work within Force**

- 2.30 It has to be recognised that the successful confiscation and forfeiture results that are achieved are, in many respects, simply a consequence of good criminal investigation work that is pursued within Force. It is, after all, the successful conviction of criminal offences that trigger confiscation action.
- 2.31 Having an effective and efficient Financial Investigation Team is paramount to achieving successful confiscation and forfeiture results. It is, however, a fact that the better quality of criminal that is investigated and convicted, with regards to the values of crimes being committed and the wealth accrued by such an individual, then the healthier a confiscation order will be achieved. It also follows that an increase in the number of suitable crime cases that are pursued within Force, that naturally trigger confiscation and forfeiture action, will cause a greater number of orders to be imposed by the Courts.
- 2.32 It must also be recognised that examination of the restraint orders, confiscation and cash seizure data is not the only measure of the effectiveness of financial investigation work pursued by the Force. Financial investigation is not just about asset recovery. Financial investigation techniques are used in various types of criminal investigation work, irrespective of whether these case will achieve a positive confiscation or forfeiture result at Court.
- 2.33 Financial investigation work is applied in order to assist in the detection of crime and the prosecution of offenders. Proactive financial investigation work is pursued into all types of criminal investigation cases including serious offences, for example murder, through to lesser offences such as simple theft. This work, however, will not be recognised in the restraint, confiscation and forfeiture data that is produced. To provide an example of the extent of proactive financial investigation work that is conducted in order to support criminal investigation work throughout the Force, between 1st April 2013 and 4th September 2013, the Financial Investigation Teams have conducted a total of 1,048 separate financial investigations.
- 2.34 With regards to the National Incentivisation Scheme, it should be noted that there is no guarantee that the scheme will exist under its current format into the future. Although it is hoped that the Force will continue to receive the pay back of a percentage of monies confiscated and forfeited, there is no guarantee beyond the current financial year 2013/2014. The incentivisation monies that we receive must be viewed as a bonus from the Force's perspective. The Home Office could alter the scheme and end the return of monies back to Forces. Although nothing has been produced from the Home Office to indicate payments will cease, the National Scheme does appear to run from year to year and we wait next April to see if any changes are forthcoming.

**3. RECOMMENDATIONS**

3.1 For the meeting to note the report.

**4. IMPLICATIONS**

**All implications are assessed and scored to the table below.**

**HIGH – supporting explanation and narrative required and to be contained within the report**

**MEDIUM – narrative to be contained within the report at the discretion of the author**

**LOW – no narrative required**

	<b>LOW</b>	<b>MEDIUM</b>	<b>HIGH</b>
<b>Crime &amp; Disorder</b>		X	
<b>Environmental</b>	X		
<b>Equality &amp; Diversity</b>	X		
<b>Financial</b>	X		
<b>Health &amp; Safety</b>	X		
<b>Human Rights</b>	X		
<b>Legal</b>	X		
<b>Personnel</b>	X		

<b>Contact details in the event of enquiries</b>	<b>Name: Chief Superintendent Gary Knighton        External telephone number: 0300 122 4039        Email address: sgbenquiries@derbyshire.pnn.police.uk</b>
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**ATTACHMENTS**

**Appendix A** Chart displaying volume of Cash Seizures, Cash Forfeitures, Restraint Orders and Confiscation Orders covering the last three financial years.

**Appendix B** Chart displaying the value of Cash Seizures, Cash Forfeitures, Restraint Orders and Confiscation Orders covering the last three financial years.

**Appendix C** Chart displaying the incentivisation monies returned to the Force, the amount budgeted by the Force with regards to incentivisation monies and the Force contributions to the Financial Investigation Teams covering the last three financial years.