

## NATIONAL FOOD CRIME UNIT – FOOD CRIME STRATEGIC ASSESSMENT

### Report by Colin Sullivan and Darren Davies

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#### 1. Summary

1.1 The Board is invited to:

- **Consider** this update on the recent Food Crime Strategic Assessment, which is in development by NFCU, in concert with colleagues in Food Standards Scotland's Food Crime and Incidents Unit.
- **Endorse** the direction of travel of the work of NFCU as it seeks to determine the nature and extent of the threat from food crime and respond appropriately.

#### 2. Introduction

2.1 In 2016, the NFCU produced and published the first baseline assessment of the food crime threat. This was a joint assessment produced with Food Standards Scotland (FSS). The latest assessment was again jointly developed with FSS with the intention to publish when finalised. This paper summarises the findings and conclusions of the 2020 assessment (priority areas) and which when published will look to provide consumers, businesses and other stakeholders with a strong indication of the action planned to mitigate the aspects of risk which are identified in the assessment.

2.2 In developing the strategic assessment, the definition of food crime which is employed is "serious fraud and related criminality within food supply chains". This definition also encompasses drink and animal feed.

#### 3. Evidence and Discussion

##### *Food Crime Strategic Assessment*

3.1 The assessment draws intelligence and context from a variety of sources including the NFCU intelligence database, responses to a local authority questionnaire, open source research and situational awareness, and the work and insight of partner agencies and the broader FSA. We also use sampling data as one of the anchoring points for the assessment from the UK Food Surveillance System (UKFSS), the Scottish Food Sampling Database (SFSD) and also the aggregated, anonymised industry data around authenticity checks provided to us through our agreement with the Food Industry Intelligence Network (FIIN).

- 3.2 The report draws principally on data collected during a reporting period to autumn 2019. The finalising of the assessment and its planned publication have, owing to Covid-19, been delayed. This has, however, allowed the Unit to contextualise the main body of the report with some additional content around the Covid-19 situation.
- 3.3 It has been clear from our own reflections, external commentary and the inputs into the FSA's expert panel, that food supply chain disruption linked to the pandemic could create an environment conducive to food fraud. The degree to which Covid-19 has generated criminality more broadly has been noted by our law enforcement partners and the National Crime Agency's National Economic Crime Centre estimated that, during March 2020, around 5% of fraud incidents reported to Action Fraud related to offences linked to Covid-19.<sup>1</sup>
- 3.4 The NFCU has been vigilant to potential threats arising from the Covid-19 situation with regular inputs into the broader FSA incident response, supporting collective analysis of the potential impacts of developing scenarios. However, at present, evidence of criminal exploitation of these threats has been minimal.
- 3.5 Future Covid-19 related vulnerabilities, and the exploitation of these by criminals in the UK or affecting our food chain, cannot be discounted, and the longer-term ramifications of a recession (in terms of any changes to the behaviours both of consumers and businesses in tighter economic circumstances) are an area around which the Unit will consider any necessary adjustments to operational focus and to our required understanding of the threat landscape.
- 3.6 Continuing vigilance is also necessary around the imminent conclusion of the transition period and we need to be alive to the collective impact of these issues in the event of a resurgence in Covid-19 infections which overlaps with the end of 2020 in what will likely be economically challenging times.
- 3.7 The Strategic Assessment contains:
- a) some context regarding the current environment, noting difficulties with local authority resourcing as observed by the National Audit Office report, and also documented shortcomings in the broader law enforcement approach to fraud.<sup>2</sup> Themes such as e-commerce and how criminal activity may meet demand for some foodstuffs popular in some of our diverse communities are also addressed;
  - b) a reflection of the intersections between broader serious organised crime and food crime (noting overlaps from serious crime into the food sector, but with very limited evidence of more broadly-active criminals becoming active in food crime);
  - c) a threat assessment structures around the seven main techniques deployed within food crime, with consideration of varied product types within each subsection; and

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<sup>1</sup> <https://www.ft.com/content/1ef7ebab-8c33-4d6a-a7c0-66047f73f482>

<sup>2</sup> <https://www.bbc.co.uk/news/uk-51246926>

- d) a final section taking a predictive view of future factors within the food and drink economy and how these may affect the scale and nature of food crime in the future.

3.8 There are many strong seams of consistency between our 2016 baseline assessment and the 2020 document; many of the described threats have not significantly evolved or altered and changes are observed to a greater extent in the broader food and drink landscape.

3.9 Key aspects raised within the threat assessment are:

- a) **Theft** – this area mainly concerns livestock theft and offences of European Distribution Fraud, where a businesses' identity is cloned to obtain product (with the invoice provided to the legitimate business). Matters of theft can require a policing response, but the Unit recognises that these acts will in nearly all cases lead to the illicit entry of foodstuffs onto the market which may be unsafe or inauthentic. The cost of livestock theft to farmers was estimated to be £3m in 2019.<sup>3</sup> A criminal group convicted of thefts linked to the infield slaughter of animals in the Midlands received substantial custodial sentences earlier this year.
- b) **Unlawful processing** – the key threats in this area are illegal slaughter and the unlawful harvesting (and entry into the food chain) of shellfish. Some forms of illegal slaughter or processing can be in response to product demand from within specific communities. The assessment identifies that there are a number of routes via which this product can enter the food chain, and while the enforcement around illegal commercial gathering sits with other parts of the regulatory framework, the Unit has been championing enhanced co-ordination between the Unit and our partners to enrich understanding of the fuller picture and to follow product through to where it reaches consumers.
- c) **Waste diversion** – the incorporation into the food chain of products and raw materials which should not be present is at its most severe where animal by-products are concerned.
- d) **Adulteration** and
- e) **Substitution** – to some extent issues best considered as part of the same continuum of activity, these techniques can affect a variety of products from meat products and olive oil to white fish products, spirits or herbs and spices. The practice can be for qualitative purposes (to improve the appearance and consequent value of a product, for example through the chemical treatment of lower-grade tuna) or to achieve a quantitative increase, bulking up a product to allow more to be sold (such as where a meat product includes a lower value species or non-meat content such as connective tissue). Although risks do exist in this space and are noted in local authority sampling, it is also the case that industry sampling data points to very low levels of identified authenticity issues in many of these areas, for example around meat speciation.
- f) **Mis-presentation (whether of quality, origin, safety or freshness)** – under this category, the nature of the offence can range from matters of

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<sup>3</sup> [https://www.nfumutual.co.uk/globalassets/farming/rural-crime/2020/nfum\\_infographic.png](https://www.nfumutual.co.uk/globalassets/farming/rural-crime/2020/nfum_infographic.png)

authenticity (such as the misappropriation of cherished statuses or production standards such as organic certification or British origin) – areas where substantial financial gains can be made to the misrepresentation of unsafe products or ingredients as fit for consumption. The Unit notes this most acutely with regards to 2,4-dinitrophenol (DNP), a chemical linked to numerous fatalities when consumed as an alleged ‘fat-burner’. This area has been subject to a large volume of operational focus by the Unit in conjunction with partners, as well as continued engagement across government to seek to ensure that legislative controls governing DNP are as stringent and appropriate as they need to be.

- g) **Document fraud** often features as an enabler to other food crime techniques and relates to the use either of fraudulently produced documents, or to legitimate documents deployed in a fraudulent way. The examples noted in this space with the greatest frequency are equine identification documents and fraudulent customs declarations although areas of risk also include catch and landing certificates for fish and shellfish, and health certificates relating to international movements of goods.

- 3.10 The simplest way to categorise the various aspects of the food crime threat is a division into those crimes which seek to successfully enter into the food chain material which would otherwise be worthless (such as waste products or illicitly slaughtered meat), and others which are about equipping viable food and drink with a premium or more desirable status allowing its price and marketability to be enhanced.
- 3.11 The risk and impact can vary substantially between the various practices noted within this assessment and the vulnerabilities present within differing aspects of food supply chains (in terms of both product type and scale of undertaking).
- 3.12 In terms of the breadth of potential issues arising within the food chain, across the seven crime techniques, our assessment notes aspects of the red meat sector as the most noteworthy. The risk of physical harm is at its most acute in those cases where products are misrepresented in terms of safety of consumption (notably around DNP), with the risks from improperly harvested shellfish also of note.
- 3.13 The document concludes that there remains a requirement for a continued focus on those who, through fraud and deception, compromise the safety and authenticity of food and drink provided to UK consumers.
- 3.14 Quantification of this threat is very challenging. Empirical data is difficult to obtain, and fraud by its very nature is a crime designed to remain undetected by victims. The National Crime Agency assesses, for example, that less than a fifth of frauds are reported.<sup>4</sup>
- 3.15 Academic work commissioned by FSA and produced by the University of Portsmouth, and due for publication alongside the Assessment, has proposed a

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<sup>4</sup> <https://www.nationalcrimeagency.gov.uk/what-we-do/crime-threats/fraud-and-economic-crime>

model as to how the cost of food crime to society could be determined. The study also notes the degree to which existing measures and estimates include substantial flaws when used to quantify the food crime threat.

- 3.16 To mitigate this challenge, the document includes an uncertainty yardstick to give consistency to the threat assessment by the Unit's analysts. Inclusion of this yardstick will not fully mitigate the potential for aspects of our assessment to be misconstrued or misinterpreted when reproduced without full context but is in line with how, for example, the National Crime Agency's assessments are published.<sup>5</sup>

*Our response – an operational Control Strategy for NFCU*

- 3.17 The setting of control strategies, based on the Strategic Assessment and underpinned by the application of the Management of Risk in Law Enforcement (MoRILE) methodology,<sup>6</sup> is standard practice for law enforcement agencies such as police forces. They establish the operational response for areas of particular focus and act as priorities to inform, for example, the allocation of investigative resources, the targeting of intelligence gathering or the focusing of other risk mitigation activity.
- 3.18 It is not necessarily the case that the Unit will not adopt investigations, record intelligence or otherwise address matters sitting outside it, rather the control strategy areas will have a specific strategic plan underpinning our response to them, encompassing activity under Pursue, Prevent, Protect and Prepare (known as the 4Ps). This follows the established practice of the Home Office Serious and Organised Crime Strategy, published in 2013 and refreshed in 2018<sup>7</sup>.
- 3.19 This approach actively informs NFCU activity planning for the year. It influences decision-making around the adoption of matters for potential investigation. Operational plans derived from the Control Strategy, spanning the 4Ps are in place and progress against these is tracked through internal processes.
- 3.20 Tasked activity against these threats includes:
- a) working with businesses to improve fraud resilience;
  - b) tactical intelligence analysis to identify key subjects in certain markets and supply chains on whom disruption work should be focussed;
  - c) identifying and exploiting new datasets around key areas and maximising the value of new and existing stakeholder relationships;
  - d) generating external messaging around successful interventions to make clear the consequences of food crime; and

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<sup>5</sup> <https://www.nationalcrimeagency.gov.uk/who-we-are/publications/437-national-strategic-assessment-of-serious-and-organised-crime-2020/file>

<sup>6</sup> <https://www.app.college.police.uk/app-content/intelligence-management/analysis/evaluation-and-review/>

<sup>7</sup> <https://www.gov.uk/government/publications/serious-and-organised-crime-strategy-2018>

- e) designing and delivering interventions to prevent and disrupt food crime, based on intelligence and evidence.

3.21 The disruptive impact of Covid-19 is also noted as an influencing factor upon the strategy and has influenced both how responses to the priority areas can be delivered, and has acted as a potential catalyst or multiplier to other aspects of the threat landscape (such as the accelerated growth of e-commerce).

#### 4. Conclusions

4.1 The strategic threat assessment of food crime will guide the work of the NFCU. It is important for discourse on food crime to be maintained and for NFCU, as a recipient of additional funding, to expand and strengthen our national counter-food crime response and to have a prominent voice in this. Priming this conversation with our Food Crime strategic threat assessment can lead to further beneficial exchanges to advance our channels for information gathering, and stakeholder engagement.

4.2 By taking the additional step of also publicly sharing our control strategy when we publish the strategic assessment; we can equip consumers, businesses and other stakeholders with a strong sense of how we are designing and delivering a thoughtful, targeted response, both to detect and investigate food crime and to take steps (by deterring offending and through encouraging the increased resilience of food businesses) to prevent it occurring.

4.3 We are working closely with colleagues in FSA Communications to ensure publication is correctly managed, including cross-Whitehall and Devolved Administration awareness.

4.4 Following publication, the Unit will prioritise reflecting on any feedback on both documents to inform our future approaches to strategy setting, openness around our priorities and to note challenges to the specific content of our assessment.

4.5 The Unit will also be reporting back to the Board at the end of the year with an annual review on our activity, including the findings of an interim review of the Unit's progress towards its objectives.

#### 5. Recommendations

5.1 The Board is invited to:

- **Consider** this update on the recent Food Crime Strategic Assessment, which is in development by NFCU, in concert with colleagues in Food Standards Scotland's Food Crime and Incidents Unit.
- **Endorse** the direction of travel of the work of NFCU as it seeks to determine the nature and extent of the threat from food crime and respond appropriately.