

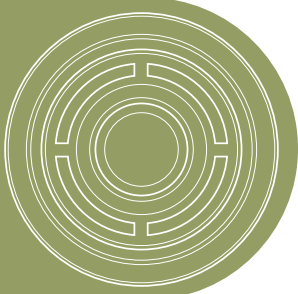


BUSINESS CRIME

An inspection of how the criminal justice system deals with business crime in Northern Ireland

October 2017





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Laid before the Northern Ireland Assembly under Section 49(2) of the Justice (Northern Ireland) Act 2002 (as amended by paragraph 7(2) of Schedule 13 to The Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010) by the Department of Justice.

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Contents

List of abbreviations	4
Chief Inspector's Foreword	5
Executive Summary	7
Recommendations	9

Inspection Report

Chapter 1: Introduction	12
Chapter 2: Strategy and governance	22
Chapter 3: Delivery	28
Chapter 4: Outcomes	42

Appendices

Appendix 1: Methodology	49
Appendix 2: Terms of reference	51



List of abbreviations

ATM	Automated Teller Machine
BIDS	Business Improvement Districts
CCTV	Closed-Circuit Television
CJI	Criminal Justice Inspection Northern Ireland
DoJ	Department of Justice
FSB	Federation of Small Businesses
HMIC	Her Majesty's Inspectorate of Constabulary
HMRC	Her Majesty's Revenue and Customs
NICHE	Computerised record management system used by the PSNI
NICTS	Northern Ireland Courts and Tribunals Service
NIPB	Northern Ireland Policing Board
NPCC	National Police Chiefs Council (which replaced ACPO from April 2015)
OCTF	Organised Crime Task Force
PCSP	Policing and Community Safety Partnership
PPS	Public Prosecution Service for Northern Ireland
PSNI	Police Service of Northern Ireland
RAC	Retailers Against Crime
SMART	S pecific, M easurable, A chievable, R ealistic and T ime-based
SME	Small and Medium Sized Enterprises
UK	United Kingdom



Chief Inspector's Foreword

Do crimes committed against the business community matter as much as those perpetrated against the individual? The answer to this question must be 'Yes', since the provision of goods and services to the public is currently the mainstay of the economy in Northern Ireland. It is vital that the relationship between the police and the business community who provide these services is open and effective.

Business crime is not victimless nor should it be regarded as an inevitable occupational hazard since it affects individual members of the business community and the losses sustained impact on everyone through higher prices or reduced opportunities for employment and investment. Businesses are increasingly using new technology to help them deliver their services more efficiently and effectively, and criminals are constantly seeking to exploit and profit from the increasing use of digital technology.

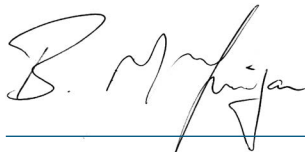
Business crime is not a recognisable offence and the broad definition of what it entails has yet to be agreed in Northern Ireland. It can range from shoplifting to fraud, extortion to robbery. We already know that it is significantly under reported for a variety of reasons, some of which seem counterintuitive, especially when security

weaknesses are highlighted or the possibility of reputational damage is involved. Keeping abreast of the opportunities to commit crime and the threats posed by organised criminality remains a challenge for both the business community and the police.

This inspection has shown that the strategic relationship between the various business representative organisations and the police is well established, however the performance at an operational level, with the exception of a small number of dedicated schemes, is personality based with either crime prevention officers or neighbourhood police. This is a real risk in the current economic climate since the flow of information and intelligence between the police and the business community is vital in countering existing and emerging threats.

We have made a number of recommendations which we believe will raise the understanding and importance of business crime to the Northern Ireland economy and improve the policing response.

This inspection was led by Rachel Lindsay and Dr Ian Cameron. My sincere thanks to all those who have supported their work.



Brendan McGuigan
Chief Inspector of Criminal Justice
in Northern Ireland

October 2017



Executive Summary

Criminal activity affects all types and sectors of businesses; from small individually-run local retailers to large multi-national firms; from urban city centres to rural areas and from businesses with a physical presence to on-line traders. The estimated cost of crimes against business varies, depending on the type of crime, but can be significant to all sectors, types and sizes of business. This inspection looked at the approach of the criminal justice system in Northern Ireland to addressing the issue of business crime, in partnership with businesses themselves.

In the last two years there had been a greater focus on business crime by the Northern Ireland Assembly Committee for Justice, the Police Service of Northern Ireland (PSNI), Department for Justice (DoJ) and Northern Ireland Policing Board (NIPB) culminating in the publication of a Business Crime Action Plan in June 2016. The Action Plan was a positive step forward but Inspectors were concerned it was not sufficiently outcome-focused or 'SMART'¹ and was lacking in sufficient accountability/governance.

Representatives of stakeholder organisations were involved in the development of this Action Plan and the ongoing workstreams arising from it. The PSNI was in the process of developing a

crime prevention strategy at the time of this inspection, which needs to be adopted and delivered to ensure a consistent, long-term and outcome-focused approach. A Rural Crime Partnership had been in place for a number of years and this appeared to be effectively delivering partnership working to address rural and agricultural crimes. Business crime did not feature in the Northern Ireland Policing Plan or the majority of local policing plans.

The PSNI was involved in a large number of partnerships and engagement activities with business representatives from a wide range of sectors. These were particularly focused around

¹ SMART objectives are typically accepted to be **S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**ime-based.



city centre community safety work but also covered areas of particular crime types such as financial crime, intellectual property and armed robbery. Whilst there was positive feedback from stakeholders about this engagement, the PSNI needs to ensure that success is not just based on the success of specific individuals to maintain an ongoing presence in this important work.

The PSNI was also involved in two schemes to share information about those who perpetrate crimes against retailers. There is a need to ensure that officers are afforded the opportunity to fully utilise these schemes in order to detect and investigate crimes. Positive feedback was received about the role of Crime Prevention Officers in the PSNI and the delivery of crime prevention advice, including work with Policing and Community Safety Partnerships (PCSPs). Under-reporting of crimes against business was high, partly because of perceptions of the ability of the PSNI to respond to calls to service and identify and apprehend the offender. Cross-border activity featured in discussions around business crime, particularly in border areas where there was an element of organised criminality to steal agricultural or plant machinery. Action Fraud was the United Kingdom's (UK) national reporting centre for fraud and concerns were highlighted about its operation.

The process of evidence collection and case building in a crime could be challenging, particularly where crimes were not reported in a timely manner or Closed-Circuit Television (CCTV) or record keeping was of poor quality. A particular issue was raised about 'drive-offs' from fuel stations where individuals did not pay for their fuel, often in error rather than in an attempt to deliberately make off without payment. Work was continuing to address the impact of this work on police resources and Inspectors believe the focus in this area should continue. Delay was, in common with crimes against individuals, a

significant feature in the area of business crime and impacted on the levels of under-reporting. Inspectors recommend that the Business Crime Action Plan should be reviewed to ensure it is more fit for purpose and incorporates actions to address the issues raised in this inspection in relation to 'drive-offs', education for businesses about their responsibilities in relation to crime prevention and good record keeping.

Crime statistics and outcome rates were only available for a small number of crimes that related to businesses specifically. There had been successes in reducing the number of tiger kidnaps and other crime figures were reducing in common with crime more generally, with the exception of shoplifting. The lack of a definition of business crime made such analysis of crime difficult and Inspectors would recommend this should be addressed. A mechanism to survey the views of businesses and work to improve the availability of business crime statistics is also required.

Businesses highlighted a number of concerns about being victims of crime, which was similar to those raised by other types of victims in CJI reports, but also that they felt that business crime was seen as 'victimless' by the criminal justice system. Persistent offenders featured as a concern to retailers, particularly when they were perceived not to receive a significant sanction for shoplifting offences. The Reducing Offending in Partnership model may offer a more targeted approach in this area. Developments in the use of victim impact statements for businesses were underway and could also assist in this area.



Recommendations

Strategic recommendations

- 1 The PSNI should adopt a crime prevention strategy, within six months of this report, which is designed to ensure a consistent, long-term and outcome-based approach to crime prevention (*paragraph 2.11*).
- 2 The PSNI should, in the six months following this report, develop a process whereby officers in all policing districts are able to fully utilise opportunities to detect and investigate crimes committed against retailers by using intelligence sharing schemes, which are underpinned by sound data protection and governance procedures (*paragraph 3.15*).

Operational recommendations

- 1 The PSNI should ensure appropriate succession planning for key roles, as part of the crime prevention strategy, to maintain a long-term engagement with internal and external stakeholders (*paragraph 3.7*).
- 2 The Business Crime Action plan should be reviewed within six months of this report with a view to ensuring that the targets/actions within it are 'SMART' and that there is a greater level of accountability/governance for all partners. The review should also consider including the following issues in the Action Plan:
 - i) the police response to 'drive-offs' (developing on from work undertaken previously);
 - ii) education for businesses about their responsibility to implement crime prevention advice to prevent theft by customers; and
 - iii) education about the importance of good record-keeping/monitoring by businesses to prevent employee theft (*paragraph 3.53*).



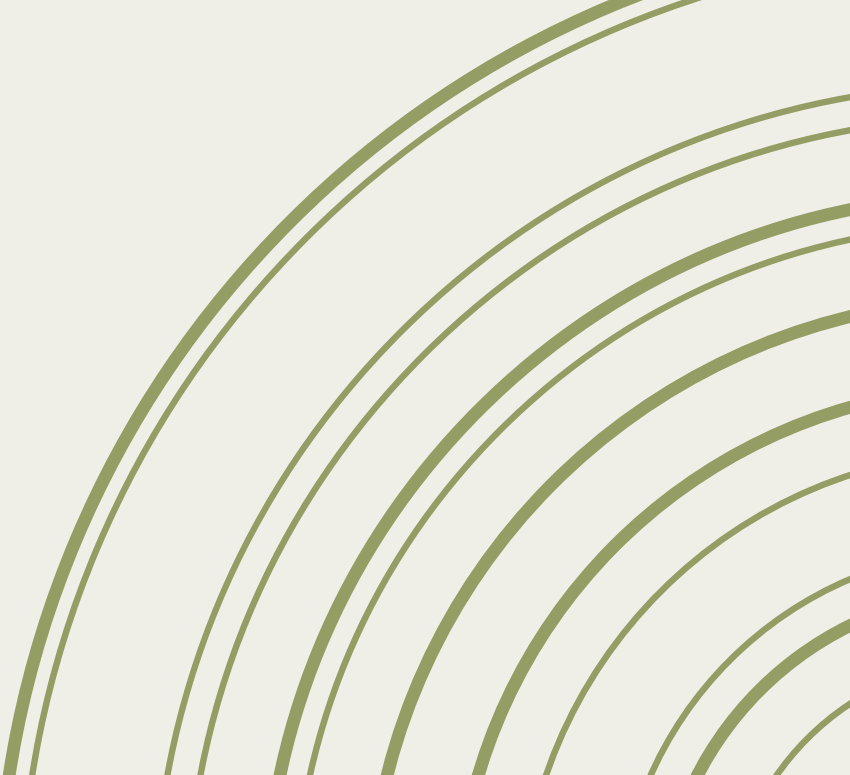
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Improvements should be made to the PSNI's analysis of business crime within six months of this report by:

- i) agreeing a definition of business crime with partners;
- ii) delivering a mechanism to survey the views and attitudes of businesses across different sectors in order to improve stakeholder and victim engagement; and
- iii) improving the availability of business crime statistics and undertaking subsequent analysis to develop priorities within the Business Crime Action Plan, drive performance improvements by the PSNI and better inform the business community (*paragraph 4.6*).

4

The PSNI should consider, as part of the Business Crime Action Plan, using the principles of the Reducing Offending in Partnership model to develop a more targeted approach to dealing with persistent shoplifters (*paragraph 4.12*).



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