

## **DMPC Decision – PCD 1248**

**Title: Economic and Crypto Crime Dedicated Source Unit 2022/23**

### **Executive Summary:**

This decision concerns a proposal to extend the Proof of Concept Economic & Crypto Crime Dedicated Source Unit (DSU) for a further 12 months through 2022/23. This team will be tasked to generate covert intelligence focused on Economic & Crypto Crime and the seizure of criminal cash and assets under the Proceeds of Crime Act (POCA) 2002.

The proof of concept pilot scheme for an Economic Crime Dedicated Source Unit (EC DSU) commenced on 1st October 2021 (PCD1102 refers). With the acceptance of this grant funding the intention is to continue the proof of concept into the financial year 2022-2023. This ECDSU will focus on combatting financial, and economic crime including that of cryptocurrency.

In accordance with the Scheme of Consent and Delegation, MOPAC approval is sought to accept Grant funding from the Home Office Asset Recovery Incentivisation Scheme for the new Economic & Crypto Crime DSU.

### **Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve acceptance of Grant funding from the Home Office Asset Recovery Incentivisation Scheme totalling £320,000 in 2022/23. This funding will support the continuation of the new Economic & Crypto Crime Dedicated Source Unit (DSU) focused on Covert Human Intelligence Sources (CHIS) to combat financial and economic crime and the seizure of criminal cash, crypto currency and assets.

### **Deputy Mayor for Policing and Crime**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Date

26/07/2022

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## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **1. Introduction and background**

- 1.1. The Home Office provided funding in 21/22 to support the initial ECDSU proof of concept pilot for a 6 month period 1/10/21 – 31/3/22, which secured MOPAC support previously (PCD1102). Prior to this, there had been no Dedicated Source Unit within UK Law Enforcement to identify and develop Intelligence across economic crime and particularly the seizure of criminal cash or cryptocurrency.
- 1.2. Over recent years the Dedicated Source Units have seen significant cash seizures, however these have been ancillary to their core tasks.
- 1.3. This proposal seeks to evidence, that a focused Economic Crime DSU will realise significantly greater volumes of criminal cash seizures.
- 1.4. Further information is contained within the Part 2 restricted section of this paper.

### **2. Issues for consideration**

- 2.1. This Home Office bid seeks to support a further 12 month pilot ECDSU in 22/23. Depending on the success, a further longer term proposal will be submitted to the Home Office or it is anticipated this would become financially self-funded.
- 2.2. This project seeks to continue with 4 additional posts; 1x Deputy Controller (DS) 2x Handlers (Constable) Posts and 1 Band D police staff post for a 12-month period commencing 1st April 2022.
- 2.3. Due to the post COVID relaxation of movement it is believed there is now a disproportionate amount of criminal cash in motion, it is important that this Economic Crime DSU capitalises on this activity.
- 2.4. At conclusion, should there be insufficient evidence to support a longer term proposal, the officers and member of police staff will be absorbed in the natural turnover of MO3 staffing.
- 2.5. Further information is contained within the restricted section of this paper.

### **3. Financial Comments**

- 3.1. The Grant supports 4 additional posts, based on full cost recovery, inclusive of overheads. The funding also provides for some specialist training. There is no requirement for additional vehicles, accommodation or other operational support costs needed to facilitate this proof of concept pilot.
- 3.2. More detailed costings are contained in the restricted section of the report.

#### **4. Legal Comments**

- 4.1. MOPAC approval is sought pursuant to Paragraph 4.8 of the MOPAC Scheme of Consent and Delegation which provides the DMPC with delegated power to approve all offers made of grant funding.
- 4.2. The legal powers applicable to the acceptance of this Grant will be under Schedule 3, Paragraph 7 of the Police Reform and Social Responsibility Act 2011 which provides that,
  - a. 7(1)The) The Mayor’s Office for Policing and Crime may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office.
  - b. (2)That includes—
    - i. entering into contracts and other agreements (whether legally binding or not);
- 4.3. If approved, the terms of the grant offered by the Home Office will be formalised between the relevant parties overseen by MPS Commercial Services.
- 4.4. The final Grant Agreement will be published pursuant to Articles 3, 4 & 5 of The Elected Local Policing Bodies (Specified Information) (Amendments) Order 2012.

#### **5. Commercial Issues**

- 5.1. If approved, the terms of the grant offered by the Home Office will be formalised between the relevant parties overseen by MPS Commercial Services, ensuring compliance and minimising risks.
- 5.2. This pilot contributes to the London Anchor Institutions Charter, recognising that economic crime is a significant threat to the security and the prosperity of the UK. It influences all of our society, including our citizens, private sector businesses and the government. Money laundering enables criminals to profit from some of the most damaging crimes. All economic crimes weaken community confidence in the effectiveness of governmental and commercial organisations. Economic crime refers to a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator or cause loss to others.
- 5.3. In line with the Asset Recovery Action Plan this project aims to:
  - disrupt criminal activity and the further funding of crime;
  - deprive people of their proceeds of crime;
  - discredit negative role models in society.
- 5.4. The economic crime is a highly specialised area of investigation that would benefit significantly from bespoke support from an expert, trained and focused dedicated source unit.

## **6. GDPR and Data Privacy**

- 6.1. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 6.2. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
- 6.4. A GDPR assessment has been completed. This project will be using the existing and well established MPS Informant Management System (IMS) and CRIMINT database. Both of these are DPIA compliant addressing GDPR responsibilities.

## **7. Equality Comments**

- 7.1. As this is an extension of an existing service this work does not change any aspects relating to equality or diversity.

## **8. Background/supporting papers**

- 8.1. The initial 6-month ECDSU proof of concept was approved in decision PCD1102.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

**ORIGINATING OFFICER DECLARATION**

*Tick to confirm statement (✓)*

**Financial Advice:**

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

**Legal Advice:**

The MPS legal team has been consulted on the proposal.

✓

**Equalities Advice:**

Equality and diversity issues are covered in the body of the report.

✓

**Commercial Issues**

The proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

**GDPR/Data Privacy**

- GDPR compliance issues are covered in the body of the report.
- A DPIA has been completed.

✓

**Drafting Officer**

Craig James has drafted this report in accordance with MOPAC procedures.

✓

**Director/Head of Service:**

The Interim Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

**Signature**

**Date 27/07/2022**

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**Economic and Crypto Crime Dedicated Source Unit 2022/23****MOPAC Investment Advisory & Monitoring meeting - 6<sup>th</sup> July 2022****Report by Det Supt Pat Carey on behalf of the Chief of Corporate Services****Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC***EXECUTIVE SUMMARY*

This paper outlines a proposal to extend the Proof of Concept Economic & Crypto Crime DSU for a further 12 months through 2022/23. This team will be tasked to generate covert intelligence focused on Economic & Crypto Crime and the seizure of criminal cash and assets under the Proceeds of Crime Act (POCA) 2002. A proof of concept pilot scheme for an Economic Crime Dedicated Source Unit (EC DSU) commenced on 1<sup>st</sup> October 2021 (PCD1102 refers), with the acceptance of this grant funding the intention is to continue into the financial year 2022-2023. This ECDSU will focus on combatting financial, and economic crime including that of cryptocurrency.

In accordance with the Scheme of Consent and Delegation, MOPAC approval is sought to accept Grant funding from the Home Office Asset Recovery Incentivisation Scheme for the Economic & Crypto Crime DSU.

**Recommendations**

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

- 1. Approval to accept Grant funding from the Home Office Asset Recovery Incentivisation Scheme totalling £320,000 in 2022/23. This funding will support the continuation of the new Economic & Crypto Crime DSU focused on Covert Human Intelligence Sources (CHIS) to combat financial and economic crime and the seizure of criminal cash, crypto currency and assets.**

**Time sensitivity**

A decision is required from the Deputy Mayor by the end of July 2022 in line with the investment decision timetable.

**Non-confidential facts and advice to the Deputy Mayor for Policing and Crime****Introduction and background**

- The Home Office provided funding in 21/22 to support the initial ECDSU proof of concept pilot for a 6 month period 1/10/21 – 31/3/22, which secured MOPAC support previously (PCD1102). Prior to this, there had been no Dedicated Source Unit within UK Law Enforcement to identify and develop Intelligence across economic crime and particularly the seizure of criminal cash or cryptocurrency.
- Over recent years the Dedicated Source Units have seen significant cash seizures, however these have been ancillary to their core tasks.



3. This proposal seeks to evidence, that a focused Economic Crime DSU will realise significantly greater volumes of criminal cash seizures.
4. Further information is contained within the Part 2 restricted section of this paper.

### **Issues for consideration**

5. The Home Office provided funding in 21/22 to support the initial ECDSU proof of concept pilot for a 6 month period 1/10/21 – 31/3/22, which secured MOPAC support previously (PCD1102)
6. This Home Office bid seeks to support a further 12 month pilot ECDSU in 22/23. Depending on the success, a further longer term proposal will be submitted to the Home Office or it is anticipated this would become financially self-funded.
7. This project seeks to cost 4 additional posts; 1x Deputy Controller (DS) 2x Handlers (Constable) Posts and 1 Band D police staff post for a 12-month period commencing 1st April 2022.
8. Due to the post COVID relaxation of movement it is believed there is now a disproportionate amount of criminal Cash in motion, it is important that this Economic Crime DSU capitalises on this activity.
9. At conclusion, should there be insufficient evidence to support a longer term proposal, the officers and member of police staff will be absorbed in the natural turnover of Mo3 staffing.
10. Further information is contained within the restricted section of this paper.

### **Contributes to the MOPAC Police & Crime Plan 2022-25<sup>1</sup>**

11. This activity supports '3. Increasing trust and Confidence' within the police and crime plan.

### **Financial, Commercial and Procurement Comments**

12. The Grant supports 4 additional posts, based on full cost recovery, inclusive of overheads. The funding also provides for some specialist training. There is no requirement for additional vehicles, accommodation or other operational support costs needed to facilitate this proof of concept pilot.
13. If approved, the terms of the grant offered by the Home Office will be formalised between the relevant parties overseen by MPS Commercial Services, ensuring compliance and minimising risks.
14. More detailed costings are contained in the restricted section of the report.
15. This pilot contributes to the London Anchor Institutions Charter, recognising that economic crime is a significant threat to the security and the prosperity of the UK. It influences all of our society, including our citizens, private sector businesses and the government. Money laundering enables criminals to profit from some of the most damaging crimes. All economic crimes weaken community confidence in the effectiveness of governmental and commercial organisations. Economic crime refers to a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator or cause loss to others. In line with the Asset Recovery Action Plan this project aims to:
  - disrupt criminal activity and the further funding of crime;
  - deprive people of their proceeds of crime;
  - discredit negative role models in society.

The economic crime is a highly specialised area of investigation that would benefit significantly from bespoke CHIS support from an expert, trained and focused dedicated source unit

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<sup>1</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

## **Legal Comments**

16. MOPAC approval is sought pursuant to Paragraph 4.8 of the MOPAC Scheme of Consent and Delegation which provides the DMPC with delegated power to approve all offers made of grant funding.
17. The legal powers applicable to the acceptance of this Grant will be under Schedule 3, Paragraph 7 of the Police Reform and Social Responsibility Act 2011 which provides that,
  - a. 7(1)The) The Mayor's Office for Policing and Crime may do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of the functions of the Office.
  - b. (2)That includes—
    - i. entering into contracts and other agreements (whether legally binding or not);
18. If approved, the terms of the grant offered by the Home Office will be formalised between the relevant parties overseen by MPS Commercial Services.
19. The final Grant Agreement will be published pursuant to Articles 3, 4 & 5 of The Elected Local Policing Bodies (Specified Information) (Amendments) Order 2012.

## **Equality Comments**

20. As this is an extension of an existing service this work does not change any aspects relating to equality or diversity.

## **Privacy Comments**

21. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.

GDPR assessment has been completed. This project will be using the existing and well established MPS Informant Management System (IMS) and CRIMINT database. Both of these are DPIA compliant addressing GDPR responsibilities

## **Real Estate Implications**

22. There will be no changes to the estate associated with this ECDSU. The unit will use office space and terminals already in existence.
23. The Economic Crime Dedicated Source Unit will be based at Jubilee House, Putney. This will be integrated and use currently existing IMS terminals so there will be no changes required to the estate.

## **Environmental Implications**

24. There will be no impact to delivering the Mayor's London Environment Strategy<sup>2</sup>.

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<sup>2</sup> <https://www.london.gov.uk/WHAT-WE-DO/environment/environment-publications/draft-london-environment-strategy>

25. There will be no detrimental implications for the London Anchor Institutions' Charter<sup>3</sup>; as above.

### **Background/supporting papers**

26. None.

Report author: Det Supt Pat Carey, DSU, 07979045781

### **Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [OPERATIONAL]

Part 2 of Proof of Concept Economic Crime Dedicated Source Unit is exempt from publication for the following reasons:

- FOIA – Section 31 – Law Enforcement

The paper will cease to be exempt until 6 years after the closure of the Economic Crime DSU. Any request for information under FoIA would need to be assessed on a case by case basis, no matter what or when the original decision was made, as the circumstances may have changed eg information no longer commercially sensitive.

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<sup>3</sup> <https://www.london.gov.uk/coronavirus/londons-recovery-coronavirus-crisis/anchor-institutions-charter>