

REPORT TO COMMUNITIES' SERVICES COMMITTEE - 1 APRIL 2021

POLICE SCOTLAND - THEMATIC REPORT: FRAUD

1. Reason for Report/Summary

- 1.1. To advise members regarding the current threat presented in respect of Fraud, particularly non-contact and cyber-enabled to those most vulnerable within the community.

2. Recommendations

The Committee is recommended to:

- 2.1 Note the attached report which seeks to inform the Committee regarding the current Fraud types and threat, how this impacts on the most vulnerable (particularly the elderly and dementia sufferers) and the ongoing activity to prevent and disrupt Fraud and support those targeted.**

3. Purpose and Decision Making Route

- 3.1 Performance monitoring and thematic reports provide a regular opportunity for elected members to maintain scrutiny of significant police activities, in order to achieve good outcomes for the residents of Aberdeenshire.
- 3.2 This report has not already been considered by this or any other committee.
- 3.3 In terms of the Police and Fire Reform (Scotland) Act 2012, it is worth noting the respective powers and duties that are relevant to the Committee's consideration of police matters.

The Chief Constable is responsible for:

- policing of Scotland and must account to the Scottish Police Authority
- ensuring adequate arrangements are in place for the policing of each local authority area
- designating a constable as Divisional Commander after consultation with the local authority

The Divisional Commander is responsible for:

- involving the local authority in setting of priorities and objectives for policing of its area
- providing to the local authority information it may reasonably require
- preparing and submitting a local police plan to their local authority for approval and, if approved, publishing the local police plan

- preparing and submitting replacement plan to the local authority for approval following a review (local police plans must be reviewed at least once every 3 years)

The local authority may:

- monitor and provide feedback to the Divisional Commander on policing of its area
- specify policing measures it wishes the Divisional Commander to include in a local policing plan

3.4 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

4. Discussion

4.1. Following a verbal update on Fraud at this Committee in November 2020, it was agreed a Thematic Report would be prepared for a future meeting of the Committee to advise on the current forms of online and cyber-enabled Fraud and how they impact on the elderly or vulnerable within the Aberdeenshire. This report also highlights the ongoing work by Police Scotland and partners across Aberdeenshire Council to prevent this crime type through education in the community and the targeting and disruption of perpetrators.

4.2. There has been a steady and consistent increase in reported non-contact Fraud across all areas of Scotland, including Aberdeenshire. A portion of this may be as a direct result of increased internet usage and online investment activity during the COVID-19 pandemic. However, it should be noted that prior to the pandemic this had already been assessed as an escalating crime trend.

4.3. Fraud Types

4.3.1. There are a number of different types of cyber-enabled Fraud, including:

- **Investment Fraud (also cryptocurrency fraud)** - Victims generally search online for an investment opportunity and are then induced to 'invest' money in cloned firms. There has been a marked increase in cryptocurrency related frauds (almost exclusively Bitcoin).
- **Safe-Account Fraud** - Victims receive a telephone call from a fraudster purporting to be calling from the fraud team at his or her bank or from Police Scotland. The fraudster advises the victim's account has been compromised and induces them to transfer their funds into a 'safe account' provided by the fraudster. It is likely the account is held by a member at the bottom of the chain of an Organised Crime Group, i.e. a money mule.

- **Romance Fraud (dating)** - The fraudster registers with a genuine online dating agency and befriends another member. Over the course of time the victim begins to trust the fraudster who presents themselves as charming, trustworthy and reliable. Often the fraudster pretends to be a member of the US Military posted in Afghanistan or Iraq who needs money to travel home because of a sick relative. There have been occasions where the victim has lost life savings as the fraudster makes increasing demands for finance to meet a variety of supposed needs.

4.3.2. As described above the main beneficiaries of these Frauds are not based within Aberdeenshire. There are very few based within Scotland or indeed the UK and it is challenging to determine the final recipient of funds appropriated. These Frauds are often orchestrated by complex Organised Crime Groups so the most effective method of targeting these crimes locally focusses primarily on prevention and education.

4.3.3. In respect of Safe Account Frauds there are occasional instances where the perpetrator has travelled to the area and either posed as an official from a financial institution or a Police Officer in order to have cash handed to them by the victim. Police Scotland have been successful in identifying and disrupting one of these groups operating across Scotland which has impacted on the North East. Money Laundering Enquiries have also been successful in reporting the holders of 'mule' accounts.

4.4. **Victims and Vulnerabilities**

4.4.1. The victim profile for most Frauds does not include the vulnerable and/or exploited, however as the scams usually involve casting a 'wider net', the potential for some of the victims to include vulnerable persons clearly exists. In respect of Investment Fraud victims are largely members of the community with disposable income who are familiar with the processes for significant financial investment but have been convinced that the source of their investment is genuine.

4.4.2. Elderly and vulnerable members of the community tend to be victims of contact Fraud methods, such as Bogus workmen scams. The small portion of the victims of online Fraud who are vulnerable by virtue of age do not appear to have been specifically targeted for this reason.

4.5. **Police Response**

4.5.1. Nationally, 'Operation Giantkind' has been established alongside partnerships in the Financial Conduct Authority (FCA) and Banking Organisations to combat the issue of Investment Fraud through increased security measures and awareness-raising in the Investment Community.

4.5.2. The 'Take 5 for Fraud' campaign which ran until January 2021 also sought to increase awareness and encourage reporting of all Fraud and attempts so that

an accurate understanding of the problem could be established.

- 4.5.3. Locally North East Division adopted a three-strand approach of Prevention, Governance and Investigation and a media strategy was formulated in conjunction with colleagues from our national Corporate Communications department. A high-profile, week-long series of newspaper articles in local media, highlighting a different Fraud type each day, with input from some of the victims, was particularly well received. A short life working group ensured that tasks were allocated via the Adult Protection Co-ordinator to share with partners and the Financial Harm Sub Group to raise awareness for the vulnerable and elderly in relation to the continuing variations and innovations of this crime type.
- 4.5.4. In respect of governance and investigation there is a strong focus on management and use of specialist skills to ensure all investigative opportunities are identified. Analytical review will continue to inform and direct appropriate resources moving forward.
- 4.5.5. However, it is clear that prevention and awareness raising remains the priority to reduce the number of Frauds. Media awareness and partnership strategies are to continue in this regard.

4.6. **Partnership Response**

- 4.6.1. Where a person is at risk of Fraud and is unable to protect themselves due to a disability, mental or physical infirmity they would be assessed and supported under the Adult Support and Protection (Scotland) Act 2007. This Act provides measures to address abuse and harm amongst vulnerable adults within our communities.
- 4.6.2. The Act gives duties to Councils for the purpose of protecting adults at risk from harm. In particular, the Council has a duty to make inquiries where it is believed that intervention may be required to protect an adult at risk.
- 4.6.3. Other organisations also have duties under the 2007 Act - including duties of cooperation and of sharing relevant information.
- 4.6.4. The Aberdeenshire Adult Protection Committee (APC) is a strategic partnership responsible for the development, publication, dissemination, implementation and evaluation of adult protection policy and practice across the public, private and third sector organisations. The Committee is part of a larger framework of Public Protection arrangements in Aberdeenshire and reports to the Aberdeenshire Executive Group for Public Protection.
- 4.6.5. Grampian Financial Harm Subgroup is a permanent subgroup and meets on a quarterly basis. Its purpose is to raise awareness of financial harm in its different forms; undertaking initiatives to reduce financial harm and raising awareness of support for people who are at risk of financial harm in both the public and professional spheres in the North East of Scotland. The group keeps abreast of any new local or national financial harm initiatives and will do

any work required to assist with their inclusion in local practices.

- 4.6.6. This group and the APC are currently developing a Communication Strategy and increased engagement with financial institutions and banks in respect of the Banking Protocol and prevention/protection matters. A webinar is being planned for later in the year as a platform for all contributing agencies to review the current situation and future challenges.
- 4.6.7. Trading Standards publish a weekly newsletter which again aims to raise awareness of local fraud types and trends. It provides guidance and contact number details for contact and support organisations. The most recent publication included information on a cryptocurrency scam and information on how to combat this through awareness of the FCA. Trading standards can also participate in Interagency Referral Discussions when a vulnerability is identified.
- 4.6.8. Trading standards have links to the FCA through Scamsmart campaigns, and are committed to awareness-raising and intervention through Friends Against Scams and other methods, such as Call Blocker mechanisms and Cyber-reliance awareness.

5. Council Priorities, Implications and Risk

- 5.1. N/A
- 5.2. This report helps deliver on LOIP Priority 3 - Connected and Cohesive Communities.
- 5.3. The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed.

Subject	Yes	No	N/A
Financial			X
Staffing			X
Equalities			X
Fairer Scotland Duty			X
Town Centre First			X
Sustainability			X
Children and Young People's Rights and Wellbeing			X

- 5.4. An equality impact assessment is not required.
- 5.5. There are no risks directly identified in respect of this matter in terms of the Corporate and Directorate Risk Registers as the Committee is monitoring the performance of the Scottish Fire and Rescue Service as required under the Police and Fire Reform (Scotland) Act 2012, however, links to the Corporate Risk of Working with Other Organisations.

6. Scheme of Governance

- 6.1. The Committee is able to consider/comment on this item in terms of Section D.1.1 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to matters concerning Police Scotland.

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List of Appendices - N/A