

DIRECTOR GENERAL NATIONAL CRIME AGENCY, GRAEME BIGGAR

17 JULY SPEECH

“The threat from Serious and Organised Crime in the UK”

WELCOME

Good morning, I am delighted to be here for my first public speech as Director General of the National Crime Agency.

Thank you to everyone for joining me today in person and online.

INTRODUCTION

The mission of the National Crime Agency is to protect the public from serious and organised crime.

I want to start by paying tribute to the 5,500 officers in the Agency, each of whom, every day, bring their expertise and passion to reducing serious and organised crime, arresting the criminals behind it, and, with our partners, making the UK safer, on our streets, in our communities and online.

We have been doing that for a decade, since we were established in 2013. The Agency was created with two functions. Our first and primary function is to reduce crime, both through our own investigations and by coordinating, enabling and leading the work of all our law enforcement partners. In support of that, we also have a ‘criminal intelligence’ function: to gather, analyse and disseminate intelligence, including

making assessments and ensuring we, as a country, fully understand the scale of the threat from serious and organised crime and how it is changing. It is in support of that second function that today we publish our National Strategic Assessment of serious and organised crime for 2023.

It draws on intelligence and analysis from across law enforcement and partner organisations in government, the private sector, academia and civil society. And I am grateful for all of their input.

Along with the more detailed, classified versions we produce, it ensures our collective response - across policing, the intelligence agencies and other law enforcement partners, and in Government - is based on the very latest evidence and understanding.

And it sets out what the public can do, to reduce the risk of being a victim or to spot and report suspicious activity.

Today, I want to pick out some key points from that assessment, give a sense of the scale and breadth of the threats we face, and set out what we are doing about them.

THE THREAT

The threat to the UK from serious and organised crime continues to evolve and worryingly, in several areas, to grow. Its impact can be seen in communities across the UK, with families ruined by drugs – by addiction, and the violence and crime it drives; young lives cut short by overdoses and gun crime, and appalling deaths at the hands of people smugglers who do not care if the migrants they are transporting live or die;

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childhoods scarred by sexual abuse and constant re-victimisation as images and videos are shared by offenders online; people having their life savings stolen from them through online fraud or cyber attacks. It is a tragic fact that serious and organised crime causes more harm, to more people, more often, than any other national security threat.

The organised crime groups responsible for this threat have proved resilient in the face of both a changing environment and successful law enforcement operations. In particular:

- They have exploited international conflict, instability and poverty – adapting to the war in Ukraine which disrupted established supply chains; and capitalising on the increasing number of migrants seeking to reach the UK.
- They have exploited the cost of living crisis, which has put more people at risk of crime either as a victim or perpetrator.
- And, most fundamentally they have exploited the advances in technology that have benefited us all, but also criminals. Technology that allows criminals to scale their activities more easily; allows them to operate against people in the UK from anywhere in the world; and helps them do so anonymously, be it selling drugs and guns on the darkweb, communicating on encrypted apps, or laundering money through cryptocurrency. Crime online is our new frontline.

The biggest group of offenders in the UK are those that abuse children. But even excluding them, we know of 59,000 individuals that are involved in serious and organised crime impacting the UK.

And they do so to make money. We assess that £12 billion in criminal cash is generated in the UK every year, and that in total more than £100 billion of the proceeds of British and (largely) global crime is laundered through the UK or UK corporate structures each year.

I want to cover a few of the key threats facing the UK today:

Let's start with **Organised Immigration Crime** - the threat that saw the biggest increase last year. As has been widely reported, 2022 saw a near doubling of the arrivals by small boats to over 45,000 migrants. There were two reasons for this: a growing demand from migrants to come to the UK; and a change in the criminal business model to meet that demand, using bigger, flimsier, single-use boats, and packing even more people on to them.

As we see, tragically too often, such boats pose a huge risk to anyone travelling in them, and the criminal groups involved ruthlessly prioritise profit over safety. Some of those who do arrive as illegal migrants will have paid for their journey through debt bondage, and that will add to the numbers of modern slavery victims in the UK, working in the grey or criminal economy. Kurdish organised crime groups continue to control much of the market, and are typically based in northern Europe rather than the UK. The boats and engines are typically produced in China and Turkey, and then transported across Europe. As you would expect that is a supply chain we are looking very closely at, working closely with all the countries along the route.

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Illegal drug use remains the major driver of serious and organised crime, and is linked to firearms, serious violence, modern slavery, burglary and robbery, and money laundering. Global drug production remained high in 2022, although we have seen a reduction in poppy production in Afghanistan in the last few months. Drug seizures, within the UK, at the border, and overseas, are at historic highs, but supply has proved resilient, reflecting the profits to be made.

Western Balkans crime groups have taken over more of the cocaine and cannabis markets. Close to 120 tonnes of cocaine and 40 tonnes of heroin are consumed in the UK every year, and our latest analysis of waste water suggests that cocaine use is increasing by 25% in some areas. Drugs are now sold on the darkweb as well as the street corner. And they kill. Over 4,500 people died from drug misuse in 2021 (our last full year of data). Death rates are high in Scotland and north east England due to poly drug use, particularly the combination of heroin and street valium (or benzodiazepine). Synthetic opioids remains rare, but have been increasing; stopping synthetic opioids getting a real hold, as fentanyl has done in North America, is a key priority for law enforcement and public health.

The use of **firearms** is often linked to the drug market and takes place between urban street gangs. Deaths from firearms are near an all-time low for the UK, with 26 last year – one of the lowest rates in the world. Most of the victims are other criminals, but innocent people can be shot in the cross fire, or in cases of mistaken identity, as we so tragically saw in Merseyside last year. The collective efforts of Government and law enforcement over many years have made it harder for criminals to get hold of guns. As a result they have had to resort to ordering firearms on the darkweb from overseas, converting blank firearms to use live ammunition, or building firearms using 3D printers.

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We target all of these routes. We worked with the Spanish police, for example, to seize over 700 firearms that were being ordered online and were destined for British streets. In May we saw our first conviction for the supply of 3D printed weapons to an Organised Crime Group. This demonstrates how digital technology has the potential to transform the criminal threat we face. It is critical that we do not allow 3D printed firearms to become prevalent here, and I am pleased that the Government are intending to legislate to help us address this threat.

Drugs and firearms offences play out on our streets. But there are other crimes where the harm to the public is not so widely visible. More crime takes place behind closed doors, online, on the dark web and through encrypted apps.

Take **child sexual abuse**. We estimate that there are between 680 to 830 000 adults in the UK (1.3 – 1.6% of the adult population) that pose some degree of sexual risk to children. These are extraordinary figures: roughly ten times the prison population. They partly reflect a better understanding of a threat that has historically been underestimated, and partly a real increase caused by the radicalising effect of the internet, where the widespread availability of videos and images of children being abused and raped, and groups sharing and discussing the images, has normalised such behaviours. We have also begun to see hyper realistic images and videos entirely created through Artificial Intelligence. The use of AI for child sexual abuse will make it harder for us to identify real children who need protecting, and further normalise abuse. And that matters, because we assess that the viewing of these images – whether real or AI generated - materially increases the risk of offenders moving on to sexually abusing children themselves. There is also no doubt that our work is being made harder, as major technology companies develop their services, including rolling out end to end

encryption, in a way that they know will make it more difficult for law enforcement to detect and investigate crime and protect children.

Even more prevalent is **fraud**, which now accounts for more than 40% of crime. In 2022 three quarters of adults in the UK were targeted for fraud either by phone, in person, or online. While the volume of fraud fell from the peaks of the pandemic, losses by individuals and businesses remained high and indeed rose last year. The internet has enabled fraud to be undertaken at scale, anonymously, and from overseas. We assess that 75% of fraud is partially or fully committed from overseas. Generative AI is also being used to make frauds more believable, through the use of ever better deep fake videos and Chat GPT to write more compelling phishing emails.

Some of the most sophisticated online crime takes the form of **ransomware**. The biggest threat continues to come from Russian language cyber crime groups, who are tolerated by, and sometimes linked to, the Russian state. The threat has evolved in two ways. First, as the tools to conduct ransomware are offered out from the main groups to affiliates, in a model we refer to as 'ransomware as a service'. And secondly, by a shift from encrypting a company's systems to the more simple task of exfiltrating and threatening to publish their data. The theft of personal data – whether of employees or customers – also means that it can be sold on to those who will use it for fraud. The impact of such attacks can be significant but the solution can be simple: basic cyber security will defeat most attacks and it is important all organisations invest in it.

The proceeds of crime, whether online or more traditional, need to be **laundered**. Old methods of money laundering continue: cash rich businesses and money mules used to get cash into the formal banking system; informal banking systems such as hawala or

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Chinese underground banking; and simply smuggling cash out of the country. And new methods have emerged, primarily through crypto currency and electronic money institutions, which sometimes have weaker controls and occasionally are purely criminal. Over the last year we have also seen the emergence of global money laundering networks based out of Moscow and Dubai that link the street cash from drug sales in the UK with the crypto currency made by ransomware groups in Russia, the sanctions oligarchs want to evade, and the payments for drug cartels in South America.

For money laundering, and more broadly, organised crime depends on a variety of professional services to **enable their activities** . Money laundering can be facilitated by corrupt insiders at banks, or by unwitting, negligent or complicit lawyers or accountants who set up shell companies and move money. Organised crime also depends on corrupt insiders at ports, in prisons or in law enforcement; individuals who can build concealments in vehicles to smuggle drugs, guns, cash or even people into and around the UK; and experts in encrypted communications to let criminals coordinate their activities securely. Fraud and cyber crime are enabled by criminal market places, where you can buy hacked personal data, victim lists, accesses, and capabilities.. All these professional services can make life easier for organised criminals; but they can also help law enforcement – providing a rich target set that, when disrupted, has a disproportionate impact on the criminal ecosystem.

My final point on the threat is to highlight the emerging links between serious and organised crime and **hostile states**. North Korea has for some time used cyber crime to steal funds and more recently crypto currency. The Russian state has long tolerated and occasionally tasked the cyber crime groups on its territory, and had links with its oligarchs and their enablers. But over the last year we have begun to see hostile states

beginning to use organised crime groups - not always of the same nationality – as proxies. It is a development we and our colleagues in MI5 and CT Policing are watching closely.

RESPONSE

I have painted a stark picture of the threats facing the UK. Properly understanding the threat is critical to being able to reduce it. The threat is evolving and fast. And so must our response.

We take enormous satisfaction arresting criminals. Crucially, it is also about reducing demand for illicit goods and services, raising our defences, particularly online and at the border, and diverting young people from a criminal path.

This involves a whole system response. One that is led by the Home Office, who set the overall strategy, alongside their counterparts in Scotland and Northern Ireland. And by the NCA who are responsible for leading the operational response.

An enormous range of organisations and agencies play a key operational role. From police forces and regional organised crime units to broader law enforcement in the Serious Fraud Office and Border Force. From the intelligence agencies and National Cyber Security Centre, to our international partners in Interpol and Europol and countries throughout the world. From regulators to the private sector, notably the financial, tech, telecom and haulage industries, who we can work with to raise our defences.

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It is our responsibility in the NCA to bring all of these organisations – some 75 at last count - together around a common set of operational goals. Drawing on our intelligence assessments and informed by our analysis of what works, we agree multi-agency plans and approaches designed to cut serious and organised crime and the harm it inflicts; and we then hold each other to account for delivering them. It is only by our combined efforts that we will be successful.

Within that overall system we, in the NCA, focus our own operational efforts where they will have the most impact. On degrading the most harmful organised crime groups and criminals operating in or against the UK, and in areas the rest of law enforcement would struggle to reach. This means that over the last year we have been shifting our focus:

- **Upstream**, to disrupt those at the top of the criminal chain, those who enable their activities and those who launder the money they make, targeting the links in the criminal chain that are hardest to replace;
- **Overseas**, to tackle the threat at source and en route to the UK, alongside our international partners, and reflecting the fact that almost all serious and organised crime has a significant international nexus; and
- **Online**, to combat a critical element of the modern organised crime business model, reflecting the fact that more crime takes place online or is enabled by technology

It keeps us busy. Last year the NCA made over 4,700 disruptions: actions that reduce or remove a crime threat. This is our most ever, and equates to more than a **dozen** disruptions each and every day.

Let me bring the scale of our response to life with eight brief examples.

- Last year we arrested a human trafficking king pin, for his role in smuggling over 10,000 migrants to the UK, as part of a broader operation with European partners that arrested 40 people smugglers and seized 135 small boats.
- The remarkable work of our intelligence and international teams led to the seizure of a 250 tonnes of class A drugs worldwide last year, a significant proportion of which would have been destined for the UK – Europe’s biggest cocaine market.
- Recognising the border is our single best point to intervene against organised crime, we have worked with Border Force and Home Office to identify vulnerabilities and corruption at ports. Two corrupt port workers from Portsmouth have been recently sentenced to a combined 35 years for conspiring to smuggle in over £100m worth of cocaine;.
- We broke a money laundering network responsible for smuggling more than £100m in cash out of the UK to Dubai in a single year, with the ringleader sentenced to almost ten years.
- We worked with the FBI to take down The Annex, a child sex abuse site on the dark web with around 90,000 members and millions of images and videos, arresting seven of the people responsible for running the site, including two in the

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UK. One of them – a London psychiatrist – was sentenced to six years in prison last month – just one of the 800 people we and policing arrest every month while at the same time safeguarding 1,200 children.

- We arrested an investment fraud network, based out of Bucharest, that had targeted and defrauded 700 UK victims and thousands more internationally.
- In February, the UK together with the US announced sanctions against seven Russian cyber criminals who are members of the Conti-Trickbot ransomware group. This followed an extensive NCA investigation, which exposed the real identities of the individuals involved in some of the most prolific ransomware strains that have targeted UK businesses over the last few years. This was the first use of cyber sanctions by the UK, and the only the second after the US worldwide.
- And we continue to bring to justice criminals through our Op VENETIC, through which we coordinate the UK law enforcement response to the French and Dutch takedown of Encrochat phones. This remains the biggest ever coup against organised crime in the UK. So far, we have seen over 3,000 arrests and 1,000 convictions right across the country, many of whom were drug crime bosses. And we are far from finished yet.

CONCLUSION

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This year the Agency will celebrate its 10th anniversary. We have undoubtedly made great strides since 2013: our understanding of the threats facing the UK is richer; we deploy world leading capability ; and, together with partners across law enforcement, we have put some of the most dangerous and depraved people behind bars. Our officers are proud to protect the public. Keeping people safe from harm is at the heart of all that they do.

We have delivered outstanding operational results, but Organised Crime Groups adapt and innovate, and I have described a threat increasingly driven by world events, the economy, and most fundamentally technology, that plays out on our streets and in our homes.

And if technology is driving the threat, then it also needs to drive our response. This means two fundamental changes are needed. Law enforcement, including the NCA, needs to do more to be at the leading edge of new technology: this will require collective vision and sustained investment. And secondly we need more effective strategic partnership from technology companies. This is about responsible behaviour. About designing public safety into their technologies alongside privacy. So that we all reap the benefits from technology, rather than suffering the consequences.

The Agency response – indeed the whole system response - needs to rise to the challenge. We need to be as innovative, adaptable and technologically driven as the criminals we pursue. I am confident we will.

Thank you.

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