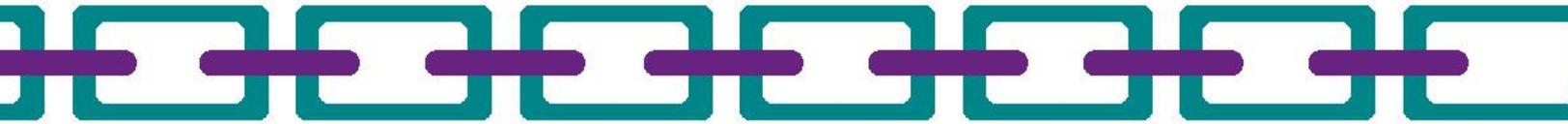


PoI-PRIMETT



Tackling Metal Theft



Fifth Expert User Group Meeting Report

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Welcome, introduction and keynote speech

Pol-PRIMETT aims and objectives

David Ransom (DR) Pol-PRIMETT Project Director (*pictured right*) opened the fifth Pol-PRIMETT EUG meeting in London, UK and introduced PUAC, the Yorkshire and Humber charity that is the lead partner of Pol-PRIMETT.



Pol-PRIMETT is a three year project, which began in September 2010 and consists of ten partners from the UK, Bulgaria, Greece, Italy and Spain. Pol-PRIMETT is co-funded by DG HA, European Commission.

Pol-PRIMETT aims to:

- Create a police-private sector partnership to reduce metal theft across Europe
- Improve collaboration between LEAs and the private sector to gain a better understanding of metal theft
- Create a LEA EUG to improve liaison and to share intelligence and enforcement practices
- Create a private sector EUG to improve liaison and to share prevention and deterrence practices
- Create a legacy of collaboration, good practice and a reduction in metal theft

Pol-PRIMETT objectives are to:

- Improve liaison and co-operation between the private sector and LEAs
- Reduce risks and improve security for organisations using metal in their daily operations
- Develop technological and operational solutions to tackle metal theft
- Identify and prioritise the types of information to be disseminated to stakeholders
- Influence national and European policy and legislation

Pol-PRIMETT has an 'open door policy' with stakeholders from across the EU and welcomes any organisation to share solutions and good practice to reduce the risk and impact of metal theft. All organisations who attend Pol-PRIMETT events are kept informed of project activities and are encouraged to contribute.

Initial results show that public and private sectors across EU Member States do not generally work in collaboration to tackle metal theft. The UK is seen as leading the way for cross-sectoral collaboration but still has significant areas for improvement.

Key note speaker – Ian Hetherington (IH), BMRA (*pictured right*)

IH stated that the scrap metal and recycling industry is key to the national economy and has a positive impact on the environment.

There are currently 1800 registered SMDs in the UK - 80% being SMEs - equating to an industry worth £5.9 billion (approximately €7.2 billion). The UK scrap metal and recycling industry exports £3.7 billion (approximately €4.5 billion) of fully recycled, furnace-ready metal every year.



The UK is Europe's largest scrap metal and recycling industry and is vital to EU sustainability.

It is also a heavily regulated industry with each SMD complying with 17 pieces of regulation with each movement of scrap metal documented.

SMDs suffer over half the UK metal theft offences however this does not have the same impact as other metal theft offences which can cause train delays, isolation due to power cuts and community disruption and upset.

IH claimed that 0.1% of scrap metal in the recycling supply chain is stolen metal, demonstrating that stolen metal has a minimal value to legitimate SMDs. IH stated SMDs want stolen metal eradicated from the industry as it is 'bad for business'.

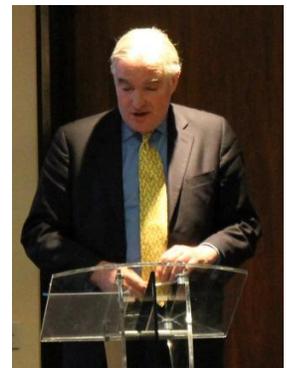
IH recommends the SMD Act of 1964 is reformed to include an increased enforcement and closure powers for LEAs and a new licensing system which aids LEAs to close illegal SMDs. The introduction of cashless payments is welcomed by BMRA as cash is an outmoded form of trading. However if illegal traders continue to trade in cash it becomes an 'uneven playing field' for legitimate traders which can have a detrimental effect on the industry. Therefore swift legislative action is required to help, not hinder legitimate SMDs.

IH called for a European definition of scrap metal – when does metal become scrap metal?

Keynote speaker – Lord Henley (LH), Minister of State for Crime Prevention
(pictured right)

LH stated the UK government's position on metal theft and provided an update on proposed legislative changes.

Metal theft has caused serious concern to the government and strikes at the heart of communities. Metal theft is not just a UK problem. The Home Secretary raised it at a G8 meeting in France and all representatives expressed that metal theft made a negative impact within their Member State.



In 2011 there were over 100,000 reports of metal theft in England and Wales. The estimated value of these offences ranges between £220 million and £770 million (approximately €270 million and €920 million). The impact of metal theft includes disruption to emergency services, delays and cancellations of trains and criminal damage to churches, historical sites and memorials.

In order to tackle the increase in metal theft, the government is implementing a sustainable solution by:

- Tackling easy and nominal rewards for metal thieves by banning cash payments for scrap metal
- Targeting illegal operators through stricter sentencing and penalties
- Making it harder for illegal operators to trade with more rigorous licensing procedures

These new strategies form a trinity of measures →

Amendments to the existing legislation include:

- Increasing all fines available under the SMD Act of 1964 to an unlimited amount – current fines average between £300 and £400 (approximately €370 and €490)
- Creating a new criminal offence to prohibit cash payments to purchase scrap metal and removing anonymous transactions
- Revising police powers of entry to SMDs to enable the enforcement of cashless transactions



These measures will help reverse the metal theft epidemic and identify tax avoidance. A ban on cash payments will be imposed on all businesses which fit the definition of an SMD in the original SMD Act of 1964. There will be an exemption for itinerant SMDs that are registered with the local authority.

Transactions between itinerants and SMDs will be cashless and therefore become traceable. Itinerants will have to record each cash transaction with proof of identification.

The government is discussing with the industry how best to implement the cash ban successfully.

Initially the ban on cash payments will be in England and Wales however there are discussions with the Scottish government to encourage the adoption of the legislative changes to prevent displacement.

The amendments are the first steps in tackling metal theft. There are further plans to develop legislation following the cash ban, including effective tackling of rogue operators.

The Home Office is working with ACPO, BTP and local police forces to strengthen LEAs powers of enforcement. The government has committed £5 million (approximately €6.1 million) towards a National Metal Theft Taskforce which is administered by BTP and will complement and expand existing metal theft reduction initiatives.

This is also supported by CPS ensuring that the true cost of metal theft is considered when sentencing offenders. The judiciary is requested to consider the 'collateral damage' that metal theft causes.

Operation Tornado has been successfully piloted in the North East of England and is being rolled out nationwide by June 2012. Operation Tornado encourages all SMDs in a selected region to record photographic identification of each cash transaction and improve security i.e. installing CCTV. All SMDs that do not sign up to Operation Tornado are visited by LEAs.

BTP's FIU brings together representatives from the police, Network Rail, BT, Environment Agency, SOCA and the insurance sector. FIU encourages intelligence led enforcement activity.

IOM3 is being commissioned by the Home Office to design out metal theft initially looking at copper and lead. Their two objectives include reducing the opportunity to steal metal and making metal easier to identify.

The UK scrap metal and recycling industry is extremely valuable to the UK economy and environment and the amended legislation is intended to strengthen not damage the industry by targeting rogue traders and driving out crime. The government will continue to work with BMRA to engage the industry in the changes to legislation ensuring the approach is effective.

The government believes that these changes will make a difference in England and Wales and is open to ideas to further strengthen legislation and enforcement.

LH stated that he was looking forward to the outputs from the Pol-PRIMETT EUG meeting in order to aid in the fight against metal theft.

Questions to the panel

Bill Hotchkiss (BH), South Yorkshire Police: When will the cash ban legislation be implemented?

LH stated that by the end of the current Parliamentary session which is April 2012.

Nikolas Petropoulos (NP), ERFC: As metal theft is now recognised as a European issue, are there plans for EU legislation on metal theft?

LH is unaware of the current status however the UK Home Secretary raised it at a recent G8 summit and it was identified as a transnational issue, especially in non-UK countries where the opportunity for moving stolen materials between Member States is easier. This will be raised by colleagues in the Home Office and justice department.

Ross Bartley (RB), BIR: The European Waste Framework Directive ensures every waste processor has either a permit or is registered. This could contribute towards the development of national databases. Are there any obstacles to developing a national database?

LH stated that sites are registered by the Environment Agency only if they are above a specific size which creates a gap in information. More effort is required to identify all SMDs and hopefully the amendments to legislation will aid with this.

IH stated that BMRA has requested that any future licensing programme should include a transparent nationally recognise database. Metal theft is usually a local or community issue but the disposal of stolen metal rapidly becomes a national issue. LEAs should have access to a national database to identify legitimate dealers. Similarly so should the public to promote legitimate SMDs. The registration system is currently managed by local authorities with limited linkage to the Environment Agency database.

David Knight (DK), Church of England: When will the SMD Act be passed through Parliament and when will the full list of amendments come into force? How will the issue of itinerants be addressed?

LH stated that currently there was no deadline for legislation amendments. However it was hoped that this would be reviewed during the next Parliamentary session. Itinerants have been awarded an exemption as they are currently registered via the Environment Agency. As soon as they acquire a yard they will be classified as an SMD. Only collectors who sell onto yards will be exempt from the cash ban as it will be difficult to operate without cash, however they will still be regulated.

Paul Keay (PK), Environment Agency: What are the timescales for the implementation of the waste carrier legislation amendments?

LH stated that further meetings are required as this issue involves other governmental departments.

BH: What do you think the impact of the legislation changes will be on the scrap metal and recycling industry? Will the figure of 1,800 SMDs diminish? Will it have a negative impact on small businesses that may have to invest in technology and what kind of costs will be associated?

IH stated that if legislative change was implemented in an integrated package of reform there would be some initial teething problems but it would be weathered by legitimate SMDs that would adapt fairly quickly. However this is not the reality.



The proposals being implemented as outlined by LH will have a major impact on the industry as there will be a flow of genuine business away from legitimate SMDs that have ceased trading in cash to those who will pay cash. BMRA's concern is that a ban on cash without the other precautions will drive business into the hands of the unscrupulous and unregulated SMDs, plus those who become itinerant dealers overnight.

BMRA states that to have an exemption for itinerants appears contrary to logic when so many of the issues are potentially caused by the itinerant trade.

Therefore under the proposed plan, there will be a serious impact on small, non-ferrous yards who trade mainly with plumbers, contractors etc. The vast majority of this trade will move into the unregulated sector that will continue to pay cash.

BMRA is also concerned that it is not an offence to sell stolen metal for cash, only to buy stolen metal for cash.

IH stated that the administration costs for changing to a cashless system for SMDs are not proving to be expensive.

Felix Lindberg (FL), Swedish Recycling Industries: Sweden recently transferred to a cashless model and the cost to businesses has been minimal. The majority of transactions are completed via credit card which enables the police to identify individuals who sell scrap metal regularly. There has been a small amount of trade lost however this is the business that legitimate SMDs do not want.

IH recognises that the Swedish cashless model is effective, however there are restrictions in the UK regarding credit cards which would not allow reverse payments. This may be an area for further discussions.

FL stated that using the reverse payments on a credit card provides the police with the identity of the seller and each transaction has a reference number which identifies it as a scrap metal sale. This has assisted police to create a database of regular sellers.

Separation into EUG workshops

The delegates separated into two morning EUG workshops:

1. Serious and organised crime – future threats chaired by SOCA and IOM3
2. Tax opportunities around metal thieves and recyclers chaired by HMRC

Followed by two afternoon EUG workshops:

3. Exporting metal and opportunities to detect at port chaired by UKBA
4. Environmental enforcement on metal in the UK and throughout the EU chaired by the Environment Agency

Workshop 1 – Serious and organised crime

First name	Surname	Organisation	Country
Ross	Bartley	BIR	EU
Douglas	Bell	BTP	UK
Tish	Birch	UKBA	UK
Francesco	Ceccarelli	ENEL	Italy
Dean	Johnson	Environment Agency	UK
Rayna	Karcheva	European Institute	Bulgaria
Emma	Kelly (presenter)	SOCA	UK
David	Knight	Church of England	UK
Felix	Lindberg	Swedish Recycling Industries	Sweden
Karolyn	Miller	BTP	UK
Stuart	Millington	Greater Manchester Against Crime	UK
Fraser	Murray	Scottish Environment Protection Agency	UK
João	Nascimento	Guarda Nacional Republicana	Portugal
Mark	Noble	Virgin Media	UK
Nina	Paire	SOCA	UK
Trevor	Parish	Environment Agency	UK
Nikolas	Petropoulos	ERFC	Greece
Kazimierz	Poznanski	IGMNIIR	Poland
Stuart	Preston	IOM3	UK
Paolo	Quercia	Agenfor Lombardia	Italy
David	Ransom	PUAC	UK
Bernie	Rickinson (presenter)	IOM3	UK
Angus	Seath	Smartwater	UK
Marek	Suchowolec	DROP Company	Poland
Nick	Swanson	Office of Graham Jones MP	UK
Ivan	Vidolov	European Institute	Bulgaria
Domenico	Voza	ENEL	Italy
Steve	Welsh (chair)	SOCA	UK

Steve Welsh (SW), SOCA (pictured right) opened the workshop stating the purpose was to identify future threats and opportunities of metal theft.

SW is part of the department tasked with stemming organised crime and safeguarding and strengthening communities and businesses against organised crime and leads the behavioural sciences and futures prevention team.

SW wished to gain feedback to assist SOCA to explore and anticipate where serious and organised crime might occur following metal theft prevention work.

Emma Kelly (EK), Senior Officer at SOCA (pictured right) presented an overview of the potential future drivers of metal theft.

EK stated that SOCA is looking at between three to 15 years into the future to assess threats.



SOCA conducts open source research which is analysed and applied to current law enforcement activities and political trends.

Metal theft is a good example of analysing impact as it is not conducted in isolation. Metal theft is powered by larger forces around the world – primarily China.

China is the largest importer of industrial materials and is undergoing major industrialisation. China relies heavily on materials from the scrap metal and recycling industry which increases the value of scrap metal making metal theft more lucrative.

For example, by 2020 China will have:

- Built 5 billion square metres of roadway
- Developed 170 mass transit systems
- Created 40 billion square metres of floor space
- 220 cities with a population of over a million
- 8 cities with a population of over 10 million

Will this rate of development continue past 2020? There is suggestion that this development is built on governmental debt and future proposals may not be realistic.

Ghost cities are becoming more common. This is when Chinese government build a city which does not have a population. The government is driving a consumer environment which is in contrast to previous years. This means the Chinese are buying more household items – computers, televisions, appliances etc. – which is increasing demand.

Therefore society and economic development in China is increasing as well as the population.

In 2020, 100 million people are expected to migrate from Chinese countryside into cities. In 2010 there was 660 million people living in Chinese cities – by 2020 there will be 800 million people.

Unfortunately Chinese migrants from the countryside do not have the same rights as people who live in the city. Therefore there will be large population growth without the social structure. This may create social pressure on the government which may impact on the economy and subsequently on importing and exporting.

It is this type of activity which drives scrap metal prices and subsequently metal theft.

Other materials with the potential to be future prized commodities are:

- Lithium batteries as the market moves towards electric cars
- Helium as it is not recycled. However there is a potential global shortage which will increase the value. Helium is the only material which can cool an MRI scanner
- Used cooking oil can be developed into biodiesel. The UK and USA are beginning to see used cooking oil being stolen from fast food outlets

Bernie Rickinson (BR), IOM3 split the delegates into four groups and provided them with eight different materials. Each group estimated the metal exchange value of the materials (£'s per kilogram).

Material	Estimated cost (£ per kilogram)	Actual cost (£ per kilogram)
Timber	0.5 - 1	0.03
Steel (not stainless)	0.3 - 1	0.28
Water	0.5 - 2	0.32
Stainless steel	1.2 – 1.5	0.88
Lead	1 – 4.5	1.4
Petrol	1.4	1.7
Wool	0.5	1.71
Natural rubber	5 - 10	1.8
Aluminium	2 - 40	1.9
Olive oil	8	2.72
Lithium carbonate	150	3
Copper	1.5 - 7	5.60
Nickel	5 - 10	12.6
Cobalt	2500	22
Silver	1000	580
Gold	28000 - 30000	28863
Platinum	30000	29568

BR illustrated the rate of change of certain materials in the past three years:

Material	Cost (£ per kilogram) in 2009	Cost (£ per kilogram) in 2012	Increase rate
Timber	0.02	0.03	1.55
Wool	0.75	1.71	2.28
Diesel	1.15	1.74	1.51
Natural rubber	1	1.8	1.8
Olive oil	2.13	2.72	1.28
Copper	2.5	5.6	2.24
Gold	10560	28863	2.73
Platinum	17600	29568	1.68

Groups discussed which businesses and products their materials could be used for to understand the impact and risk as the materials increase in value. The results were categorised into high or low risk and current or future threats.

The purpose was to identify the future threats and how they may be averted. This information will be fed into the UK Materials Knowledge Transfer Network to help with the designing of future products making them either less desirable to thieves or harder to steal.



In summary BR highlighted current pricing issues and the risks associated including:

- Developing communities are increasing demand for materials. For example China uses 5 million tonnes of copper each year which is a fifth of global copper supplies
- Environmental issues which have a devastating effect on material supplies and availability. For example when Australia was flooded they were unable to access coal mines, which reduced coke supplies and slowed steel production subsequently increasing the value of steel
- Low supplies of materials which have not been recycled, i.e. helium
- Market speculation including the financial crisis which drives prices and demand

Workshop 2 – Tax opportunities around metal thieves and recyclers

First name	Surname	Organisation	Country
Paul	Absolom	National Grid	UK
Bartolo	Amato	Ministero Dell'Interno	Italy
Chas	Ambrose	Motor Vehicle Dismantlers Association	UK
Ingrid	Blau (chair)	HMRC	UK
John	Burns	Environment Agency	UK
Larissa	Cesar	UK Home Office	UK
Eleanor	Connolly	Office of Graham Jones MP	UK
Stefano	Delfini	Ministero Dell'Interno	Italy
Peter	Driver	Suez Environment	UK
Alicia	García-Franco Zúñiga	FER	Spain
Maud	Grillard	FEDEREC	France
Marilyne	Hopkinson	PUAC	UK
Bill	Hotchkiss	SYP	UK
Paul	Keay	Environment Agency	UK
Christos	Koulis	ERFC	Greece
Ben	Lines	SOCA	UK
Panos	Liverakos	ANAMET	Greece
John	McBride	BTP	UK
Rui	Moura	Guarda Nacional Republicana	Portugal
Lubov	Panayotova	European Institute	Bulgaria
Helen	Parr	PUAC	UK
Nadya	Sabotinova	BAR	Bulgaria
Marek	Suchowolec	DROP Company	Poland

Ingrid Blau (IB) (pictured right) presented the role of HMRC within the fight against metal theft.

HMRC uses a variety of methods to detect tax fraud and evasion including a risk driven, counter evasion approach to conduct criminal prosecutions and civil sanctions.

The main tax obligations applied to the scrap metal industry are:

- VAT
- Corporation tax
- Income tax self-assessment – personal tax
- PAYE
- National insurance
- Excise duty tax
- National minimum wage application for all staff members



There are a number of SMDs not registered with HMRC but these can be detected by assessing compliance activity.

The main indicators for tax evasion are:

- Incomplete or inadequate tax records
- Inadequate cash handling processes and procedures
- Handling stolen metal
- Large amounts of cash held by the business
- Business assets
- Lifestyle

HMRC is not interested in crime until the stolen item is traded. HMRC cannot investigate theft, only trading.

HMRC can investigate and prosecute on a criminal or civil level and can retrace records as far back as 20 years. Each tax evasion or fraud is considered an offence and interest can be charged on historical offences.

There are four HMRC departments:

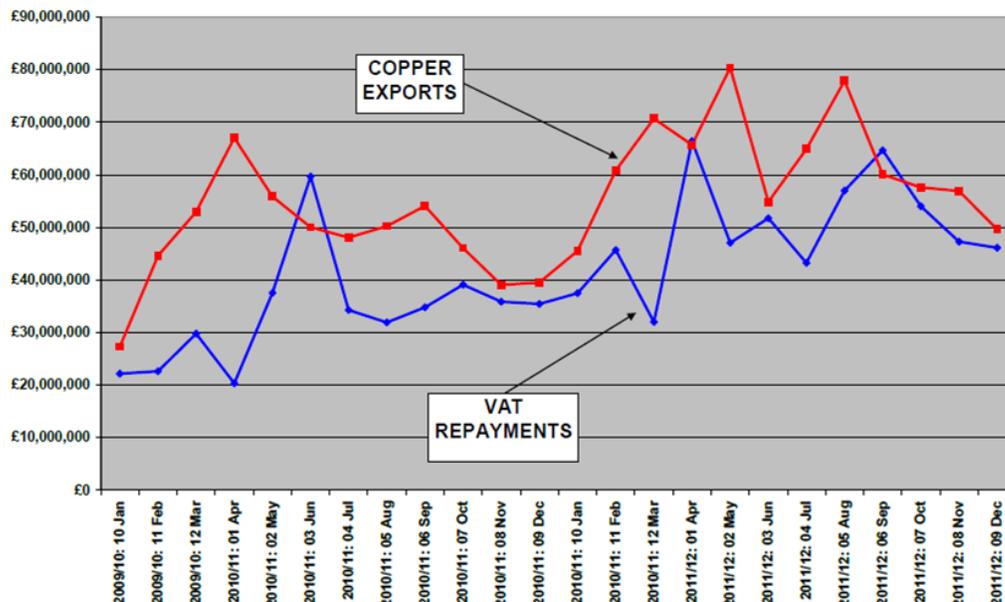
- Risk and intelligence service (RIS)
- Criminal investigations which includes civil operations and the criminal taxes unit
- Specialist and local – civil evasion
- Taskforces utilising a collaborative approach

RIS identify and assess risks to HMRC by accessing information via the ‘Connect’ system which extracts information and intelligence from a range of sources.

The risks to HMRC posed by the scrap metal industry are:

- Predominately cash based industry which is worth over £5 billion
- Cash attracts criminals due to the lack of records
- Cash facilitates different HMRC offences including tax evasion and suppression
- Carousel fraud – the avoidance of VAT through fraudulent transactions and exports
- Unregistered population and employees

HMRC compares the amount of copper exported to VAT repayments to identify areas for investigation. If copper exports rise and VAT repayments do not this indicates an increase in illegal exports. Similarly if exports fall and VAT repayments rise this indicates tax and exportation fraud. The graph below shows copper exports and VAT repayments from January 2010 to December 2011.



Tax offences are generally seen as a 'bolt on' to larger criminal investigations which are conducted by the police. On occasions larger offences have not been proven, however tax offences have and known criminals have not escaped punishment. This highlights the benefit of collaborative working.

An example of collaborative working is Operation Invincible.

HMRC investigated an SMD who had been unlicensed for 18 years, submitted no tax returns and reportedly earned over £2 million. He had also been trading online and earned over £230,000 in 18 months.

A joint investigation with police and the Environment Agency ensured the owner was sentenced to two years and four months, £813,000 confiscated and £122,000 in cash seized. The scrap yard is now closed.

In 2009 HMRC visited 221 scrap metal dealerships, identified and protected £41 million in potential lost tax revenue and made 38 referrals for criminal investigation. Additionally 1.8 million non-duty paid cigarettes were seized and there were 17 detections of the misuse of 'red' diesel.

HMRC aims to increase the number of scrap metal dealer investigations to 1000 per year by 2015.

HMRC launched 30 taskforces in December 2011 including the Scottish Scrap Metal Taskforce. Tactics include:

- Verifying VAT reclaimed on transactions through the supply chain
- Verifying exports to EU and non-EU destinations
- Establishing identity of cash sellers in HMRC 'hidden economy'
- Authenticating lifestyles of targets
- Registration of high value dealers under money laundering regulations

HMRC will use 'gateway exchange teams' to share intelligence and information with other LEAs.

Q&A session

- Delegates highlighted the difficulty contacting HMRC. IB stated that the 'gateway exchange teams' include a SPOC in each police force and an MoU with ACPO enabling LEAs to contact HMRC
- HMRC does not always attend collaborative SMD inspections led by police and the Environment Agency. This is mainly due to a resource issue, however LEAs are encouraged to inform HMRC of joint initiatives as they may conduct their own investigation using the intelligence gathered
- HMRC can investigate even if there is no evidence. Tax fraud can be identified by methods including a review of the individuals' lifestyle. HMRC also conducts media campaigns encouraging offenders to 'hand themselves in'
- Following an investigation HMRC identifies information which may be used in other investigations. All information and intelligence is uploaded to the Connect system for access by LEAs
- If the taskforce created in Scotland is successful it will be replicated in other areas of the UK however scrap metal is not high on HMRC's agenda.
- There is not a structure for members of the public to report illegal operators in the scrap metal industry. An information exchange could be developed which passes information and intelligence to the right LEA. This could be via an advertising campaign
- HMRC, via RIS and the dedicated taskforce, will assess the rise in transactions following the introduction of a cashless system into the scrap metal industry. However this may create an increase in off-shore accounting

Workshop 3 – Exporting metal and opportunities to detect at port

First name	Surname	Organisation	Country
Paul	Absolom	National Grid	UK
Bartolo	Amato	Ministero Dell'Interno	Italy
Ross	Bartley	BIR	EU
Douglas	Bell	BTP	UK
Tish	Birch (chair)	UKBA	UK
Francesco	Ceccarelli	ENEL	Italy
Stefano	Delfini	Ministero Dell'Interno	Italy
Maud	Grillard	FEDEREC	France
Marilyne	Hopkinson	PUAC	UK
Bill	Hotchkiss	SYP	UK
Christos	Koulis	ERFC	Greece
Felix	Lindberg	Swedish Recycling Industries	Sweden
Ben	Lines	SOCA	UK
Stuart	Millington	Greater Manchester Against Crime	UK
Rui	Moura	Guarda Nacional Republicana	Portugal
Mark	Noble	Virgin Media	UK
Lubov	Panayotova	European Institute	Bulgaria
Trevor	Parish	Environment Agency	UK
Helen	Parr	PUAC	UK
Kazimierz	Poznanski	IGMNiR	Poland
Stuart	Preston	IOM3	UK
Paolo	Quercia	Agenfor Lombardia	Italy
Angus	Seath	Smartwater	UK
Nick	Swanson	Office of Graham Jones MP	UK
Domenico	Vozza	ENEL	Italy
Steve	Welsh	SOCA	UK

Tish Birch (TB), (pictured right) UKBA opened by providing an overview of UKBA and its role in tackling metal theft.

All containers entering and leaving the UK are controlled by three major 'hubs' – Felixstowe, Southampton and Liverpool. The Port of Felixstowe manages 10,000 container movements every day.

All movements are monitored via a paper and electric register (manifest) which contains up to 30 elements of data including:

- Container reference number
- Importer and exporter details
- Destination (port)
- Description of goods
- Weight



Each of these elements is completed by the freight forwarder ¹ in charge of the container.

There is no legal requirement for goods transferred between EU Member States to be declared. An EU export manifest will comprise of information relating to the logistics company(s) and a 'said to contain' – a description of the contents.

UKBA uses this information to detect trends and analyse container movements.

TB stated that if an LEA provides UKBA with the container reference number, UKBA will provide details of that container and can hold a container indefinitely.

Stolen goods are not an assigned matter for UKBA. UKBA has information which may be useful for other LEAs relating to stolen goods but cannot act upon it alone. Therefore collaboration with other LEAs is essential.

UKBA is working with BTP to analyse information and identify patterns, hotspots or areas of interest. The main focus is to establish where non-EU metal exports are going.

In February 2012 there were 277 scrap metal exports from the UK to China, 22 to Hong Kong and 42 to Indonesia. Additionally there were 124 copper exports from the UK to China, 95 to Hong Kong, 6 to Indonesia and 30 to Sri Lanka and India.

Intelligence suggests that scrap metal is not being transported via RORO ² and driven across the continent to be shipped to Asia as this is not cost effective. Therefore it is assumed that metal is exported from the UK directly to Asia. Further research is being conducted to confirm this.

UKBA can profile any UK export to another EU Member State but information is limited. UKBA would require starter information including name of exporter, destination, postcode etc.

UKBA believes that the registration of scrap metal dealers will help enormously with profiling exports.

OCGs are renowned for hijacking legitimate companies containers. Goods can be moved very quickly into a container and out of the country. Cable is stolen and loaded into a container at a 'slaughter site' – where an empty container is placed in an isolated, rural location and filled. This container can be on the dock and exported within hours of metal being stolen.

Containers all appear the same initially and it is difficult to see into a container. Stolen metal is often placed behind a 'cover load'. This is where the manifest states the container holds non-suspicious items however on closer inspection there are undeclared items behind. Weight declaration can be a good indicator of a cover load.

Scanners are used at ports to identify cover loads. Health and safety prevents port personnel climbing into containers and examining contents, therefore if there is a suspicion of a falsified load contents are removed (this could be up to 26 tonnes of materials). Some ports 'tip' containers to avoid health and safety issues but containers have to be moved to a specific location causing a backlog and delays.

The container checking system is automated meaning there is no verification of the declaration. This enables some containers to be hidden within the vast quantities moved every day, therefore UKBA targets and profiles specific containers based on intelligence.

¹ A freight forwarder, forwarder, or forwarding agent is a person or company that organises shipments for individuals or corporations to get large orders from the manufacturer or producer to market or final point of distribution. Forwarders will contract with a carrier to facilitate the movement of goods. A forwarder is not typically a carrier, but is an expert in supply chain management. In other words, a freight forwarder is a "travel agent," for the cargo industry, or a third-party (non-asset-based) logistics provider

² Roll-on/roll-off (RORO or ro-ro) ships are vessels designed to carry wheeled cargo such as automobiles, trucks, semi-trailer trucks, trailers or railroad cars that are driven on and off the ship on their own wheels

TB requested ideas and suggestions on how to improve UKBA's role in the fight against metal theft.

Stuart Preston (SP), IOM3 visited the Port of Felixstowe with the Home Office to demonstrate problems faced. There is a possibility of placing a tracker within a container however where would the point of intervention be?

IOM3 has researched various technologies and it appears that the best opportunity to activate the tracker would be at the slaughter site. IOM3 is working with the Home Office and UKBA to establish feasibility. Is there a sensor which would trigger an alarm if a type of metal passed through a scanner?

TB stated that it would be the material which would be of interest to track and not the container.

There are two types of containers: shipping company owned and privately owned. Each container has a unique reference number.

BH stated the point of intervention would have to be at the manufacturing stage. Tracking could be conducted by using ANPR to track the vehicle which moves the container. Police may receive intelligence regarding a specific haulage company or vehicle and could use ANPR to track/trace a containers' movement.

The lack of declaration of goods being transferred between EU Member States creates a loophole in the system which can be exploited. For example scrap metal can be exported from the UK to the Netherlands before being shipped to China and would not be recorded by UKBA.

BH expressed his concern regarding 'slaughter sites' and stated LEAs must share intelligence to combat this.

Rui Moura (RM), GNR stated that in Portugal they have begun to find containers at SMDs filled with scrap metal which are owned by Chinese businesses that then ship them to China.

TB stated that single container movements are seen as suspicious.

BH stated that he will inform his officers to note container reference numbers to aid with detection. For example if a container is seen in a suspicious location, officers will report the reference number to UKBA to build an intelligence picture.

Following the changes to legislation metal thieves may identify alternative routes of moving stolen metal out of the UK.

Metal theft is a new concept to UKBA therefore they are now identifying the most effective use of their information in the fight against metal theft. With the formation of the National Crime Agency and the revision of the SMD Act, metal theft may become a high priority for UKBA in the future.

Trevor Parish (TP), Environment Agency stated that metal theft is not a priority for the Environment Agency however illegal waste is. Over the past three years the Environment Agency has gained valuable knowledge in investigating waste exports and has developed an intelligence led methodology. The Environment Agency has a 98% success rate at intercepting containers filled with illegal waste electricals.

It is vital that LEAs collaborate to capture and share information and intelligence. Interpol has an EU Waste Crime Group which enables LEAs to share information and intelligence across Europe.

The Environment Agency has established contacts in shipping companies and partner agencies to enable information sharing to be efficient and effective.

Tracking technology is available which can be placed on materials or in containers however clarification is required on why materials and / or container would be tracked. If it is because the load is suspect, this can be

intercepted before it is exported. If it is to establish where it ends up, there is a paper trail with all containers. It may be that an exercise is conducted to determine where scrap metal ends up.

LEAs must be engaged and organised in tackling metal theft. BTP is leading the way with the FIU bringing intelligence together with the private sector.

FL stated in Sweden container ships have an alarm alerting them when it is moved without authorisation. Could this be placed inside a container?

BH stated that if we were to fit every container with a tracking / alert system it would be costly.

SP suggested a system where a legitimate dealer / owner would enter a code. Also sensors could be placed on motorway bridges which track container movements.

BH suggested reconfiguring ANPR cameras to pick up container reference numbers as approximately 20,000 containers go missing each year.

Shipping companies will not accept containers without a reference number or with a reference number that has appeared to have been tampered with. There are cloned containers in existence which are hard to trace. Shipping companies issue the reference numbers and are in charge of maintaining the database.

Shipping companies have developed a keen eye for identifying irregularities with containers i.e. additional welding or reference number tampering.

If a container is mis-declared the container will be referred to HMRC. The penalty would depend of the value of the mis-declaration however this would trigger an investigation into other aspects of the shipment.

TP stated that if each Member State had the capacity to develop a national intelligence picture of scrap metal exports, this could be combined into an EU intelligence picture and would enable LEAs to identify trends and share information.

BH asked how open ships transporting scrap were regulated. Ross Bartley (RB), BIR stated that the vast majority of these shipments were low value scrap. It is hard to hide high value scrap in the open therefore most will use containers.

Workshop 4 – Environmental enforcement on metal in the UK and throughout the EU

First name	Surname	Organisation	Country
Chas	Ambrose	Motor Vehicle Dismantlers Association	UK
Ingrid	Blau	HMRC	UK
John	Burns (co-chair)	Environment Agency	UK
Larissa	Cesar	UK Home Office	UK
Eleanor	Connolly	Office of Graham Jones MP	UK
Peter	Driver	Suez Environment	UK
Alicia	García-Franco Zúñiga	FER	Spain
Dean	Johnson	Environment Agency	UK
Rayna	Karcheva	European Institute	Bulgaria
Paul	Keay (co-chair)	Environment Agency	UK
Emma	Kelly	SOCA	UK
David	Knight	Church of England	UK
Panos	Liverakos	ANAMET	Greece
John	McBride	BTP	UK
Karolyn	Miller	BTP	UK
João	Nascimento	Guarda Nacional Republicana	Portugal
Nina	Paire	SOCA	UK
Nikolas	Petropoulos	ERFC	Greece
David	Ransom	PUAC	UK
Bernie	Rickinson	IOM3	UK
Nadya	Sabotinova	BAR	Bulgaria
Marek	Suchowolec	DROP Company	Poland
Ivan	Vidolov	European Institute	Bulgaria

John Burns (JB), Environment Agency opened the workshop. JB is the National Campaigns and Intelligence Manager for the Environment Agency's National Enforcement Service (NES). NES is working with BTP as part of the FIU to share information on waste sites which are regulated by the Environment Agency.

The Environment Agency routinely visits SMDs and going forward will conduct these inspections in collaboration with police to ensure that there is no duplication.

Paul Keay (PK) (pictured right) is the Waste Enforcement Campaigns Manager for the Environment Agency. PK stated that the Environment Agency's remit stretches beyond metal theft however they appreciate their role in tackling it.

The Environment Agency currently operates in England and Wales; however in 2013 Wales will become a separate agency.

The Environment Agency's portfolio includes flood protection, promoting resource efficiency, looking after wildlife, helping communities to maximise their environment, influencing and working with government agencies, industry representatives, local authorities and communities and prosecuting individuals who harm the environment.



NES has four priority areas:

- Reduce impact of crime on the environment
- Reduce impact of environmental crime on people
- Reduce impact of illegal operations on legitimate business
- Maximise benefits for people, businesses and the environment through working in partnership

Partnership working and a collaborative approach from LEAs is the best way to tackle metal theft.

The organisational structure consists of regional crime and enforcement teams which are supported by the national environmental crime team. The Environment Agency also employs financial investigators to audit suspicious premises to build a comprehensive case and penalise individuals via POCA.

The Environment Agency has a number of priorities, metal theft not being one of them. However illegal waste sites are and the Environment Agency has established a dedicated taskforce to tackle illegal waste sites. Currently the Environment Agency employs 20 former senior police officers to lead this taskforce and over the coming months an additional 40 former police officers will be recruited primarily to tackle illegal waste sites.

Another priority is tackling illegal export of waste mainly tyres and waste electricals. The Environment Agency does not specifically investigate the export of scrap metal however they have valuable knowledge and experience of investigating and tackling illegal waste which may be transferred to illegal export of scrap metal.

The Environment Agency also prioritises tackling illegal dumping of waste mainly tyres, chemical waste or construction waste.

Finally the Environment Agency tackles OCGs to disrupt and reduce environmental crime.

What is the Environment Agency's role in metal theft?

- Regulating the scrap metal industry by issuing permits to SMDs regarding waste storage. These permits are separate to the SMD Act of 1964
- Ensuring compliance of SMDs by visiting sites regularly depending on the level of the permit
- Registering waste carriers
- Ensuring that individuals have a duty of care for waste
- Enforcing breaches of regulations
- Being a victim of metal theft i.e. the Thames flood barrier was attacked by metal thieves

What has the Environment Agency done to tackle metal theft?

- Participated at the ACPO Metal Theft Working Group sharing knowledge and expertise with LEAs and the private sector
- Assisted in the development of the UK Problem Profile
- Conducted joint raids and SMD visits with police
- Developed guidance for Environment Agency officers and police
- Established a taskforce to build a comprehensive intelligence picture on illegal waste sites
- Going forward the Environment Agency will continue to be proactive in tackling metal theft where possible by:
 - Employing dedicated staff including an Environment Agency officer in BTPs FIU
 - Improving and enhancing guidance for Environment Agency officers and police
 - Conducting more joint raids and inspections
 - Pushing for legislative change improving the Environment Agency's enforcement powers
 - Developing the role of the illegal waste site taskforce to tackle enforcement
 - Enhancing intelligence gathering activities
 - Ensuring the emphasis is prevention, intelligence and enforcement

Fraser Murray (FM) provided an overview of SEPA which operates similarly to the Environment Agency but across Scotland. SEPA has a national team which coordinates collaborative working to tackle illegal waste sites.

In contrast SEPA's operational plan includes metal theft as one of its top priorities. Scottish police have fewer powers than their English counterparts when entering SMDs as the SMD Act of 1964 does not include Scotland. Therefore SEPA and Scottish police forces must work collaboratively to tackle illegal waste sites.

A noticeable consequence of tackling illegal waste site is an increase in itinerant dealers. SEPA is targeting itinerant dealers by placing a SEPA officer in a traffic police car to identify rogue dealers.

Also there has been an increase in container exports of scrap metal and itinerant scrap metal dealers trading for a short period (approximately six to eight weeks).

SEPA is working with the fire service to gather intelligence as stolen cable is burnt prior to selling to an SMD.

SEPA and the Environment Agency work closely to share intelligence and learning between agencies. The Scottish government recently announced they are establishing a Scottish Environmental Enforcement Taskforce to tackle metal theft using both SEPA and Scottish police forces.

SEPA met with the Scottish Justice Secretary to highlight potential displacement issues caused by England and Wales adopting a cashless system. Displacement is happening in Scotland following Operation Tornado.

Alicia Garcia-Franco Zuniga (AG), FER asked how does the Environment Agency tackle illegal waste sites and prevent offenders from opening new premises 100m 'down the road'.

PK stated it is an ongoing issue for the Environment Agency especially as there has been an increase in itinerant dealers due to the economic climate. The Environment Agency has trialled a number of techniques to establish the best way to tackle this issue. They found that including in an offenders bail conditions that they are unable to trade as a scrap dealer whilst the terms of the bail apply was the most effective method.

Similarly working in collaboration with police ensures there are much wider enforcement measures available when tackling illegal scrap yards. The Environment Agency promotes these methods as a deterrent to would-be offenders.

Open forum

Following a summary of each workshop, DR chaired an open forum enabling delegates to discuss a wide range of issues. Topics included:

- Challenging BMRA's estimation that 0.1% of metal in the recycling industry is stolen
 - RB stated that the calculation was made using information shared at PoI-PRIMETT's EUG3 meeting in Wakefield, UK and compared with metal collected for recycling in the UK. RB conceded that this figure may increase to 1% as the information provided was approximate
 - Delegates continued to challenge this as it suggests metal theft is not profitable. However the increase of OCG participation in metal theft suggests otherwise
 - BH stated that metal in the recycling industry includes more than lead and copper. BH stated it would be interesting to recalculate that figure based only on lead and copper recycling
- Agreeing to share information and intelligence where possible, particularly via BTPs FIU or Interpol for transnational intelligence sharing
 - JM stated that by raising awareness of BTPs FIU they have been able to access and utilise more intelligence and information enabling them to build a comprehensive picture of metal theft across the UK
- Influencing the change of the SMD Act 1964 during the next Parliamentary session by capturing the topics and discussions held during the meeting and presenting them to policy and decision makers
- PD challenged BMRA statement that the scrap metal industry is well regulated with one or two rogue traders. PD stated that the majority of SMDs accept unidentifiable items in exchange for cash and the only way to remove the temptation of this from the industry is to ban cash payments
- Spanish law ensures there are five items of legislation with every transaction and police use this legislation to target and penalise offenders however the punishments are not severe enough to serve as a deterrent



Appendices

Appendix 1 - Acronyms

ACPO	Association of Chief Police Officers in England and Wales
ANPR	Automatic Number Plate Recognition
BAR	Bulgarian Association of Recycling
BIR	Bureau of International Recycling
BMRA	British Metal Recycling Association
BT	British Telecom
BTP	British Transport Police
DG HA	Directorate-General Home Affairs
ERFC	European Regional Framework for Cooperation
EU	European Union
EUG	Expert User Group
FER	Federación Española de la Recuperación y el Reciclaje
GNR	Guarda Nacional Republicana
HMRC	Her Majesty's Revenue and Customs
IOM ³	Institute of Materials, Minerals and Mining
LEA	Law Enforcement Agency
MoU	Memorandum of Understanding
OCG	Organised Crime Group
POCA	Proceeds of Crime Act
PoI-PRIMETT	Police – Private Partnership to Tackle Metal Theft
PUAC	People United Against Crime
SEPA	Scottish Environment Protection Agency
SMD	Scrap metal dealer
SOCA	Serious and Organised Crime Agency
SYP	South Yorkshire Police
UKBA	UK Border Agency

Appendix 2 - List of participants

First name	Surname	Organisation	Country
Paul	Absolom	National Grid	UK
Bartolo	Amato	Ministero Dell'Interno	Italy
Chas	Ambrose	Motor Vehicle Dismantlers Association	UK
Ross	Bartley	BIR	EU
Douglas	Bell	BTP	UK
Tish	Birch	UKBA	UK
Ingrid	Blau	HMRC	UK
John	Burns	Environment Agency	UK
Suzanne	Caddell	BTP	UK
Francesco	Ceccarelli	ENEL	Italy
Larissa	Cesar	UK Home Office	UK
Eleanor	Connolly	Office of Graham Jones MP	UK
Stefano	Delfini	Ministero Dell'Interno	Italy
Peter	Driver	Suez Environment	UK
Alicia	García-Franco Zúñiga	FER	Spain
Maud	Grillard	FEDEREC	France
Lord	Henley	Minister of State for Crime Prevention	UK
Ian	Hetherington	BMRA	UK
Marilyne	Hopkinson	PUAC	UK
Bill	Hotchkiss	SYP	UK
Dean	Johnson	Environment Agency	UK
Rayna	Karcheva	European Institute	Bulgaria
Paul	Keay	Environment Agency	UK
Emma	Kelly	SOCA	UK
David	Knight	Church of England	UK
Christos	Koulis	ERFC	Greece
Felix	Lindberg	Swedish Recycling Industries	Sweden
Ben	Lines	SOCA	UK
Panos	Liverakos	ANAMET	Greece
John	McBride	BTP	UK
Karolyn	Miller	BTP	UK
Stuart	Millington	Greater Manchester Against Crime	UK
Rui	Moura	Guarda Nacional Republicana	Portugal
Fraser	Murray	SEPA	UK
João	Nascimento	Guarda Nacional Republicana	Portugal
Mark	Noble	Virgin Media	UK
Nina	Paire	SOCA	UK
Lubov	Panayotova	European Institute	Bulgaria
Trevor	Parish	Environment Agency	UK
Helen	Parr	PUAC	UK
Nikolas	Petropoulos	ERFC	Greece
Kazimierz	Poznanski	IGMNIr	Poland
Stuart	Preston	IOM3	UK
Paolo	Quercia	Agenfor Lombardia	Italy
David	Ransom	PUAC	UK
Bernie	Rickinson	IOM3	UK
Nadya	Sabotinova	BAR	Bulgaria
Angus	Seath	Smartwater	UK
Lucy	Straker	PUAC	UK

Marek	Suchowolec	DROP Company	Poland
Nick	Swanson	Office of Graham Jones MP	UK
Ivan	Vidolov	European Institute	Bulgaria
Domenico	Vozza	ENEL	Italy
Steve	Welsh	SOCA	UK

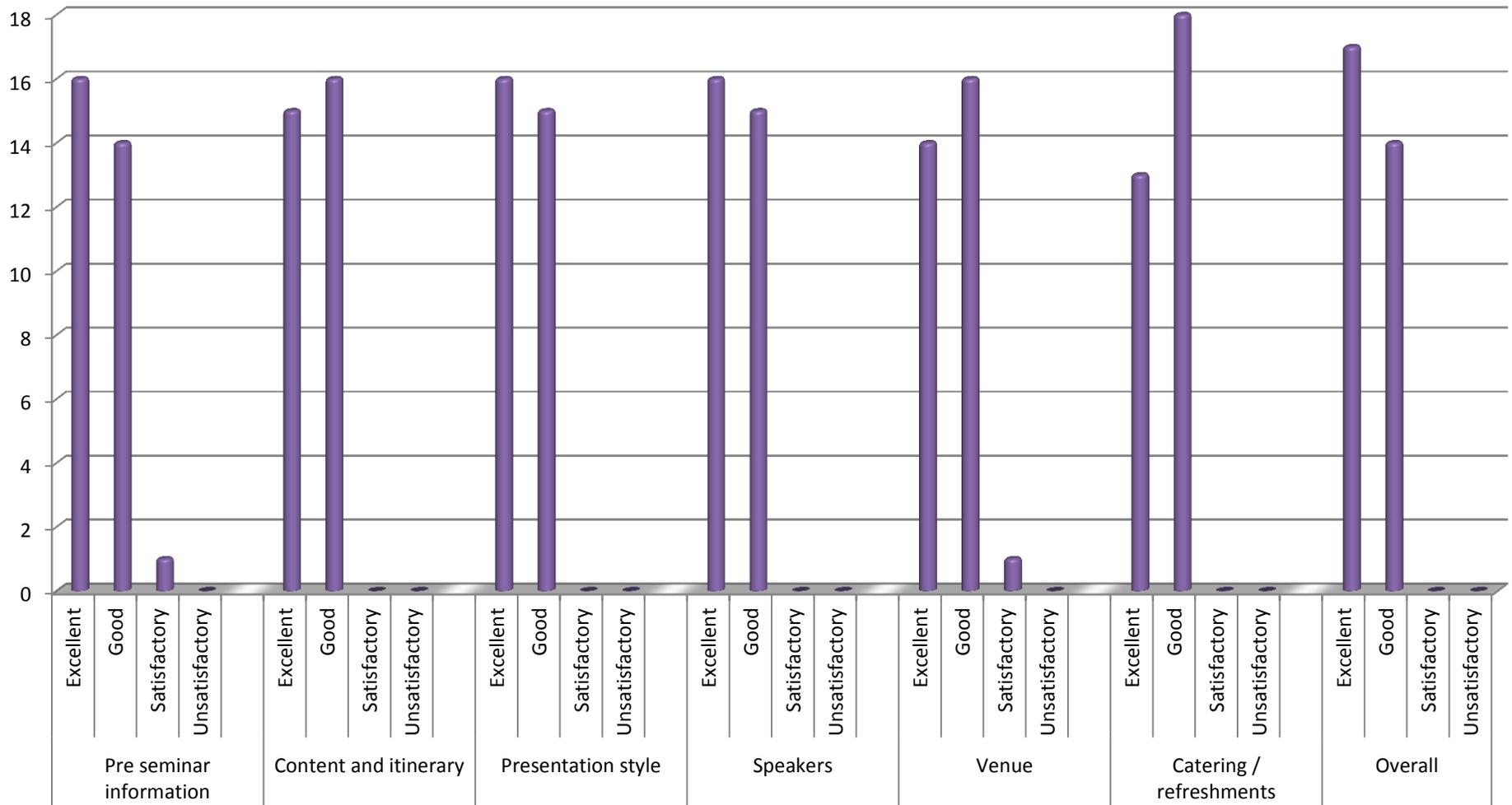
Appendix 3 - Evaluation

The information below is based on the feedback received from delegates based on their views and experiences of the EUG5 meeting.

Summary of findings

- 54 attendees at the EUG meeting and 31 evaluation forms completed. This is a 57% response rate
- Overall responses ranged from 'excellent' to 'satisfactory' with the average response being 'excellent'
- Pre meeting information; content and itinerary; presentation style and speakers all received an average score of 3.5 = 'excellent'
- The response for the meetings overall was 3.5 = 'excellent'
- The most improved area from the previous EUG meeting was presentation style by 3% however venue dropped by 8% from the 4th EUG meeting in Bulgaria
- Comments focused on the interaction of the SOCA / IOM3 workshop
- Recommendations for future topics and activities were:
 - A perspective from the justice system relating to this topic
 - How to improve the operationalising of intelligence gathering and analysis
 - Tactics and methodology of metal theft criminal investigations
 - How to tackle illegal metal waste sites

The figure below summarised the responses received:



There were 54 attendees at the events and 31 responses

Summary information

4= Excellent, 3= Good, 2= Satisfactory, 1= Unsatisfactory

	Median response	Range	Mean
Pre-meeting information	Excellent	Excellent to satisfactory	3.5
Content and itinerary	Excellent	Excellent to good	3.5
Presentation style	Excellent	Excellent to good	3.5
Speakers	Excellent	Excellent to good	3.5
Venue	Good	Excellent to satisfactory	3.4
Catering / refreshments	Good	Excellent to good	3.4
Overall	Excellent	Excellent to good	3.5

The content and itinerary, presentation style, speakers and catering / refreshment responses varied from 'excellent' to 'good'. The pre-meeting information and venue varied from 'excellent' to 'satisfactory', with the average response being 'excellent' and 'good' respectively.

Based on the mean score people were most positive on the pre-meeting information, content and itinerary, presentation style and speakers (3.5 = 'excellent'), and least on the venue and catering / refreshments which received a score of 3.4 = 'good'.

Overall the event was rated as 'excellent', with responses ranging from 'excellent' to 'good'. The overall mean was 3.5'.

Comments:

- SOCA presentation was particularly good, innovative and greatly encouraged delegate participation
- Excellent event I am hopeful that the group will share intelligence and information in the future once the common understanding has been identified
- Very good SOCA workshop especially the IOM³ bingo – learned a great deal
- Best yet!
- Very good project! Good exchange of professional experience and knowledge

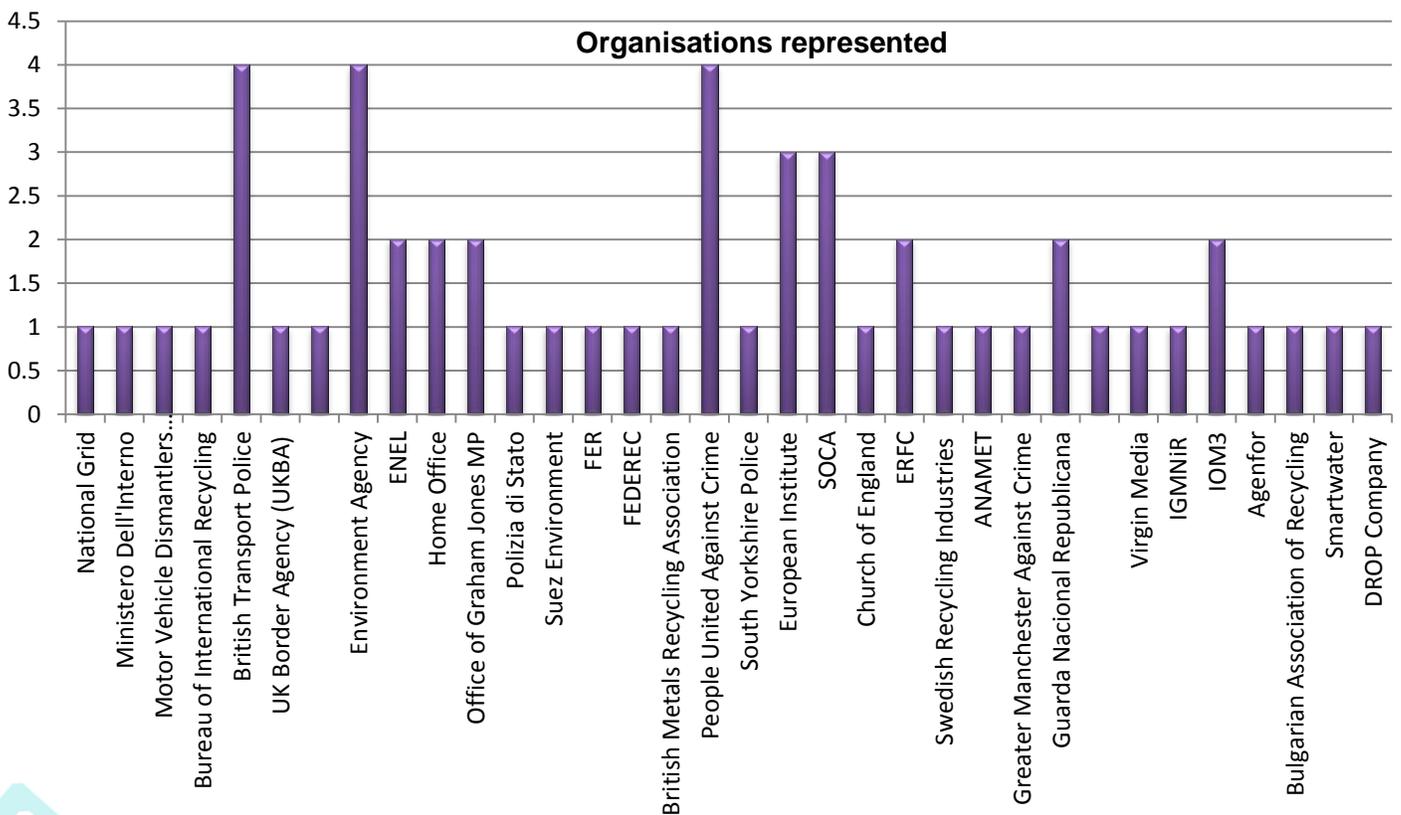
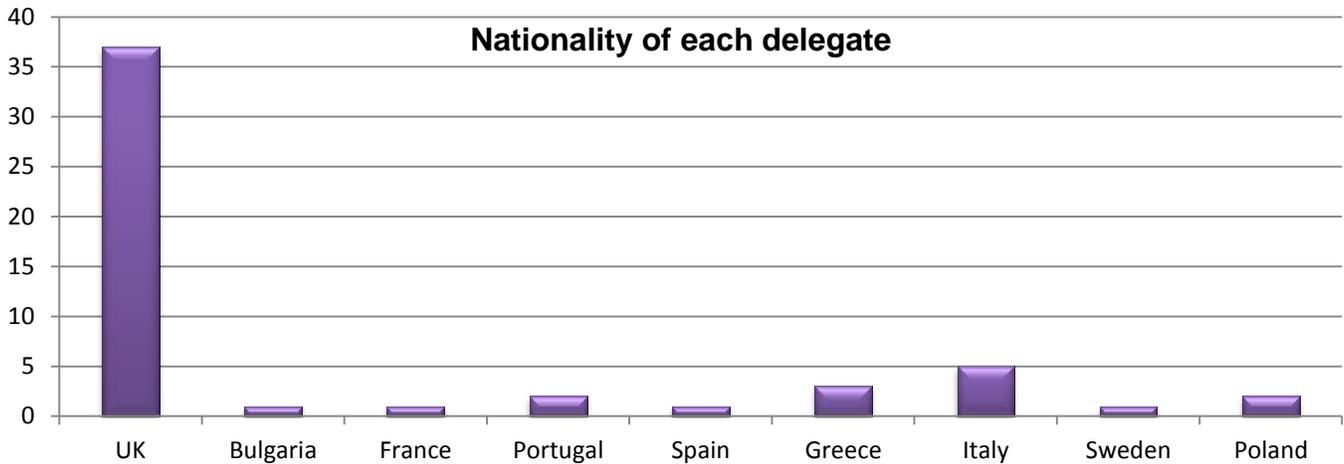
What topics would you like to see covered at future Pol-PRIMETT EUG meetings / events?

- Source and reasons for metal theft
- Biggest threat caused by metal theft
- A perspective from the justice system and how the exchanging of information is operationalised
- Judicial system point of view
- How to improve the operationalising of intelligence gathering and analysis
- Tactics and methodology of metal theft criminal investigations
- How to tackle illegal metal waste sites

Appendix 4 - Analysis of delegates

Split of public and private representatives

No of delegates	53
No of organisations	36
No of countries	9
No of public	24
No of private	29



Appendix 5 – Pol-PRIMETT EUG5 meeting presentations

Appendix 6 – Results from Workshop 1 – Serious and organised crime

Appendix 5 and 6 are available in the Stakeholder Area of the Pol-PRIMETT website – www.pol-primett.org.

Please email pol-primett@people-united.org if you experience any problems with the website.

Pol-PRIMETT



Tackling Metal Theft

People | United
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www.people-united.org



www.agenfor.it



www.btp.police.uk



www.policialocalvalencia.es



www.europeaninstitute.bg



www.ercf.gr



www.policingyorkshireandthehumber.co.uk