

PRIORITY CRIMINAL UNIT:

Who we are, what we do and our Alcohol Subjects.

OECD Major Case Management Pilot Programme

Ostia – 3rd October 2023

Lex Brown,
Assistant Director, Priority Criminals Unit, Organised Crime
Fraud Investigation Service, HM Revenue & Customs

Content

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- **Our Subjects**– The PCU landscape & uses.
- **PCU Main Alcohol Subjects** – Scale and Significance
- **What we are doing** – Lines of Effort: Border, Inland and International
- **Impacts** – 2023
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Our Mission

- The Priority Criminals Unit (PCU) provides the platform to effect maximum disruption against the most significant and impactful criminals fiscally attacking the UK.
- The PCU is placed at the top of Organised Crime's operational model.
- It has a key governance role in using all appropriate tools and resources available both within the Department and externally to degrade and ultimately remove these individual's capability to effect the UK economy.

Why form the PCU?

- All the subjects eligible for priority status have an EU and worldwide dimension. The traditional response, in these cases, of stand-alone criminal prosecutions within a set jurisdiction does not significantly degrade the criminal ability to attack revenues.
- In many instances subjects have been successfully prosecuted, and has sizable confiscations made, yet have continued to pose significant threats.
- The globalisation of organised crime means the subjects can operate as efficiently outside the UK.
- By creating the PCU, HMRC FIS provided a systematic approach to tackling these criminals, their activities and their organisations wherever they exist.

PCU Objectives

- Reduce top criminal's ability to attack UK revenue streams
- Deter future activity
- Use appropriate HMRC tools from the wide spectrum of powers available across criminal, civil and compliance against the subject and their criminal enterprise
- Develop bespoke intervention plans for each nominated subject using all tools available.

PCU Subjects – CASPIAN & CASTOR

- CASPIAN – Head of Organised Crime Group (OCG)
- CASTOR - Chief Executive Role
- Their OCG suspected of controlling and influencing 75% of the illicit alcohol trade
- Estimated Loss in 2022 was UD\$1.34Billion (£1.1 billion)
- Although Built Upon Alcohol Fraud their reach extends into other Tax Crimes (Tobacco, VAT, Supply Chain Fraud);
- Other Crime Types (asset Stripping; Blackmail, Corruption, Bribery)
- Sophisticated Money Laundering (Cash, Trade Based Money laundering, Cryptocurrency, Multiple Jurisdictions)
- Wealth Management used to invest and legitimise their benefits from crime.

Alcohol PCU Subjects - Border

Alcohol Task Force & Alcohol Intelligence Co-ordination Centre

- Key Driver Groups : Identification and Focus
- Flexible Response : Management and Interdicting of Displacement
- Tackling Experimental Routings – e.g. France / Belgium, Rol, UK, France, Spain (Op Geode)

Impacts

- 2016 v 2019 - Illicit Alcohol Loads 2016 2000 per month: 2019 600 per month
- 2019 v 2022 - Illicit Alcohol Loads 2019 600 per month: 2022 300 per month
- Estimated Revenue Loss Prevented UD\$453 (£372 million)
- Displacement to less profitable routes.

Alcohol PCU Subjects - Inland

Criminal Response

- Project Spirit — Alcohol Fraud, Money Laundering and Corruption. Largest ever HMRC Anti-Corruption Operation. 3 Officials Dismissed and US\$244,000 (£200,000) cash forfeited.
- Op Alloa, Downstage, Rhum — Money Couriers and Money Laundering. US\$59.7 Million (£49m) laundered cash; US\$854,000 (£700,000) cash seized; Prosecutions ongoing.
- Op Machair — Use of Professional Money Launderers, Trade Based Money Launderers and Cryptocurrency. Investigations ongoing.

Civil Response

- Joint Money Laundering Intelligence Taskforce — 5 Submissions made to date. Banks decisions to de-bank OCG related business valued at over US\$73.2 Million (£60m)
- Op Pace — industrial scale outward diversion of Spirits — estimated US\$58.56 Million (£48m) duties due, and 15 lorry loads of spirits seized worth US\$1.46 Million (£1.2m)
- Multiple Tax Enquiries on Family Members and Criminal Associates - assessments raised of US\$3.9 Million (£3.2m) and further assessments expected of US\$4.44 Million (£3.7m) Over 100 Civil Production Orders Obtained.

Alcohol PCU Subjects - International

Working with Key Intelligence Partners

- Develop Intelligence Picture
- Identify Intervention Opportunities
- Understand Impacts

Working with Key Jurisdictions

- Dubai – Project Mohem
- Jersey – Op Jutland – Freezing of US\$2.67 Million (£2.19m) – Criminal Investigation launched
- Ireland – Op Geode – Closing down Routing and Warehouses

IMPACTS : CASPIAN & CASTOR 2023

STRATEGIC

- Reduction of estimated loss to Alcohol fraud down to US\$840 (£700m) from US\$1.34 Billion (£1.1 billion) – 36% Reduction

CASPIAN – 540 (previously 1040)

- Family Under Tax Enquiries
- Intelligence Network Undermined
- Focus on JMLIT for OCG, Associates and family

CASTOR – 297 (previously 660)

- Focus on Illicit Alcohol Movement and ML
- Criminal Investigation in Jersey and UK
- Frozen US\$ 2.67 Million (£2.19m) in Assets

Any Questions?

