

NORTHERN IRELAND POLICING BOARD

**MINUTES OF THE 21st PUBLIC MEETING OF THE NORTHERN IRELAND
POLICING BOARD HELD ON THURSDAY, 3 MARCH 2004 AT
12:00 NOON IN WATERSIDE TOWER, BELFAST**

PRESENT:

MEMBERS:

Professor Desmond Rea (Chairman)
Mr Denis Bradley (Vice-Chairman)
Mr Alex Attwood
Viscount Alan Brookeborough
Mr Joe Byrne
Mr Fred Cobain
Mr Brian Dougherty
Mr Sam Foster
Mr Barry Gilligan
Mr William Hay
Mr Tom Kelly
Mrs Pauline McCabe
Mr Alan McFarland
Mrs Rosaleen Moore
Mr Ian Paisley Jnr
Mr Suneil Sharma
Mr Sammy Wilson

**POLICE SERVICE OF
NORTHERN IRELAND IN
ATTENDANCE:**

Mr Hugh Orde (Chief Constable)
Mr Paul Leighton (Deputy Chief
Constable)
Mr Sam Kinkaid (Assistant Chief
Constable Crime Operations)
Ms Judith Gillespie (A/Assistant Chief
Constable, Criminal Justice Department)
Mr Joe Stewart (Senior Director of
Human Resources)
Mr Austin Hunter (Director of Media &
PR)
Chief Inspector, Command Secretariat

**ASSETS RECOVERY
AGENCY:**

Mr Alan McQuillan (Head of Agency)

**OFFICIALS IN
ATTENDANCE:**

Mr Trevor Reaney (Chief Executive)
Director of Community Affairs
Director of Corporate Services
Director of Policy & Accountability
Acting Head of Audit Services
One Board Official

Apologies:

Apologies were received from Mr McGrady.

Chairman, Professor Desmond Rea:

On behalf of the Policing Board I apologise for the delay but we over ran the last session. Normally at these meetings the Chief Constable says something about his monthly report, which he does file with us as a Board and he is going to say one or two things at the beginning. We will then move to a presentation by ACC Sam Kinkaid and a former ACC, Alan McQuillan, who has moved on to the Asset Recovery Agency, and they will be making a joint presentation on organised crime.

Chief Constable, Mr Hugh Orde:

Thank you Chairman, as you will be aware the quarterly crime performance was discussed in detail at the meeting last month in Omagh, so I will not repeat that. I would confirm that our external crime reduction targets are remaining largely on track and we look forward to reporting the year ends very soon. I am aware there is a presentation today so I will keep this fairly brief.

There have been a number of significant drugs finds during the last month, in particular in Newry, cannabis to the value of £200,000 was recovered by a Drug Squad operation and following up from that, there were arrests in Greater Manchester, as well as in Northern Ireland. Police in Limavady recovered 1000 ecstasy tablets recently as well, so our drugs target is

remaining largely on track and we look to increase our seizures by at least 10%.

This year, in terms of terrorism, the major find was 180 rounds of ammunition in the Ardoyne area on 17 February 2004, which we would put down probably to the republican feud. People will be aware, it has been well reported, that four people have been charged on 23 February in Belfast Magistrates Court in relation to the abduction of Mr Tohill. Those people have been charged with grievous bodily harm, unlawful imprisonment and possession of items for use in the course of terrorism.

On the concern side there have been a number of punishment beatings and shootings on both sides of the divide, which has been a matter of substantial public debate. I will not go into details of those issues but they are issues that are causing us major concern. What also causes us concern of course is the fact that a large majority of those victims will not support any police prosecution or indeed even talk to us. So we are having to look at other ways of dealing with that particular issue.

Chairman, Professor Desmond Rea:

Sam, are you going to start and tell us how you are going to organise this?

Assistant Chief Constable, Mr Sam Kinkaid

Basically it is a presentation in two short parts. First of all, myself, looking at the police end of financial investigations and then Alan talking about the ARA, the civil end.

I have briefed the Policing Board previously in relation to the structure and strategy and approaches that we have taken in respect of serious and organised crime. All we want to do today is to highlight to Members the range of powers available to the police to deal with financial issues relating to

organised crime and then Alan is going to look at the civil powers available through the Asset Recovery Agency.

The main powers for us in Northern Ireland come from the Proceeds of Crime Act. As you see in the slide, we have the ability to restrain assets at the outset of an investigation, on conviction the judge may hold a confiscation hearing and the benefit derived by defendant may be confiscated at such times. The key point to realise is that these types of powers are used not just only in financial crime, the old fraud investigations, that are increasingly relevant to all major crime that we would investigate. The ability to freeze the assets at the beginning of an investigation has the benefit of protecting those assets for future compensation or confiscation. The use of this power, of course, has to be balanced against the benefits of keeping your investigation covert but clearly there are times that we do take this approach.

We have a Financial Investigation Unit that deals with those four main activities, it is the Centre for Money Laundering Investigations that carries out the restraint and confiscation services that we deal with when we are dealing with the courts. Very, important and increasingly important for those of you that are within a legal or accountancy background here this morning, are the SARs - the Suspicious Activity Reports. Our Financial Investigation Unit is the central and single point of contact working with the Asset Recovery Agency.

In relation to money laundering I would highlight the fact that the definition is extremely wide. We will be giving you a paper at the end in relation to it, because it will give you some idea of what this term means. It just does not merely deal with the process of laundering the proceeds of the criminal

activity through the business or the bank but it covers wider areas of dealing with criminal property. The term “criminal property” is important, it is defined as anything that represents the proceeds of crime for example, items stolen or the cash received for selling it.

As well as dealing with in-house investigations, the Financial Investigation Unit is also staff for the credited financial investigators, who take on a considerable amount of the work that is required for the restraint of the confiscation services that we give to the wider PSNI, that includes the districts and the regions.

Briefly, in terms of money laundering, there are currently 14 major operations that we are running. The total value of funds at risk is somewhere in excess of £300 million. All major drugs investigations for example, would have a financial investigation component from the outset. We are always keen not just to recover the drugs but to recover assets associated with the drugs. There are a number of cases coming up in court that got a lot of publicity recently not just here but in Holland and you would have seen the considerable amount of work that went in to seizing the properties concerned.

Just to talk quickly about the future from our side, in relation to how we see things developing. We have increased the Financial Intelligence Unit by 11 detective constables and four new civilian financial investigators are coming in. That is important for us, first of all in terms of the amount of work that we are doing with the Asset Recovery Agency. It is important to realise that when we pass a case to them there is a considerable amount of work required to support that case, dedicated work that we have to give across, that only can come from us. So, when we make decisions about passing cases across we have to bear that in mind in terms of the amount of backing work that we give to Alan. We have now referred 21 cases to the Asset Recovery Agency they are all being backed up by work by the FIU officers concerned. The cases that we have given across so far, and a number of cases we have had to bring them back simply because the present system

states that if there is a police live investigation going on the case cannot be referred to ARA. We often find we give a case across to the Asset Recovery Agency, new developments happen that require a criminal investigation and in that case we bring them back and do the criminal aspect before it goes back across to the agency concerned.

On SARs, just as a general point, this currently represents a major piece of work to us. These suspicious activity reports come from a range of places not just from banks and financial institutions but later in this year lots will be coming in, we expect, from people from legal institutions, solicitors and accountants. We are currently running at

about 3,500 a year coming into the police. They require a considerable amount of work. There are restrictions once you pass that sort of notification to the police. Some restrictions are on the agency these concern what they can do with the actual decision which they refer to us, that means that we have to quickly look at it and try to quickly get back to them and give them an answer in relation to it. It is an important basis for us to get intelligence and information that allows us to carry out relevant financial investigations. At this stage I pass over to Alan.

Head of Assets Recovery Agency, Mr Alan McQuillan

As Sam has said this is very much a partnership issue. Thank you Chairman very much for the invitation to return to the Board today because as you remember I was here shortly after our Agency was established through what we were doing at that stage. We were set up under the Proceeds of Crime Act 2002, when we really began our work. Our first staff began to arrive in April last year so we have really got about 9/10 months actual work to date because we were involved in setting the Agency up. We have two key powers, the first of which is to take civil recovery against criminals to take the proceeds of crime off them, that means we sue them in the High Court to have their assets recovered and as part of that process we have got various

powers with High Court Orders to try and freeze assets. The second element is, that if we cannot sue in the High Court we can go for taxation. In that case we become the Inland Revenue we call their tax affairs in and we tax the proceeds of crime.

As Sam has mentioned earlier there is a higheracy in the Act, in the Code of Practice.

They say that the best way to deal with criminals is to prosecute them in the Court, send them to prison and take their assets off them. If the Police Service or Customs cannot do that then they can pass them to us and we then have a higheracy. If we can take them in the High Court and civil recovery we have to do that first and if we feel we cannot achieve that we take them into taxation.

(A technical problem arose with the visual presentation equipment and the presentation was deferred to later in the meeting)

Chairman, Professor Desmond Rea:

Tom Kelly has a question about the performance figures you can put that now to the Chief Constable.

Mr Tom Kelly:

I noticed in your report that in the seven target areas it seems as if twelve of the DCUs are under performing in at least four of those areas. Now I appreciate the fact that at least you have this as a measuring point, so I am not expecting miracles, but I do think it is connected to the level of the confidence that the public have in the police slipping. Three years ago we had a target of 70% of looking to seek public confidence in what we are doing, it has now slipped down to 62%. In terms of satisfaction levels, in terms of policing generally our target was 45% and it has now slipped to 36%. I think there is a direct correlation between non performing DCU areas and the levels of satisfaction from the public in Northern Ireland on policing

generally, in the widest sense. What are you doing with these stats, now that you have them, to improve the performance of the DCUs that are not performing?

Chief Constable, Mr Hugh Orde:

Quite a lot. In terms of the observation around those that are performing and under performing, I think I make a basic distinction, which I think may have been covered last month but I was not there. We are achieving substantial crime reduction, i.e. external delivery has moved quicker than internal organisation. So that if one looks at the performance figures across the board in terms of reducing burglary, reducing vehicle crime, increasing the seizures of drugs and targeting the drugs supply offences, I think it is a good news story.

What you quite rightly identified are the issues around internal management and in particular in getting cases to court. When we arrest people, the delay within my own organisation is in dealing with paper work and getting people to court and that is without doubt the major focus currently on the performance. I think I would qualify

your statement in terms of performing or under performing. My major focus was on external delivery because that is what the public want. So I am not sure if that leads then to the correlation between drop in confidence, although cases where people have been arrested and there are delays inevitably impact on public confidence, people get frustrated if the cases do not go to court and we provide the raw material.

In terms of what we are doing, one of the reasons neither of my regional ACCs are here today is they are doing what exactly I have asked them to do, which is to drive performance at the front end. There is a programme of

performance meetings, which are chaired by my Assistant Chief Constables with every single District Commander.

I have actually been to some, they are very challenging, they make sure districts are fully focused on what they should be delivering and coming to terms with the fact that where they are not, how they can fix it. Best practice is certainly circulated on the back of that.

In relation to the criminal justice target, I was sufficiently concerned that I went out yesterday to visit a Criminal Justice Unit to try and get my head around what is going on. I am confident we can do a lot better, in particular, in relation to the internal management issues. Frankly, if people are not up to delivering then we will move them. Simple as that.

Chairman, Professor Desmond Rea:

Barry Gilligan, would you take your question, Question 1?

Mr Barry Gilligan:

Thank you Chairman, I suppose it is around the area of public confidence as well.

Would the Chief Constable comment on the degree to which the PSNI is working in partnership with other agencies to minimise the opportunity for attacks to be carried out against older people? Given the inevitable publicity which surrounds such heanus attacks, would you further comment on what measures are taken to set this problem in context and to publicise the successes that have been achieved? I think we do all appreciate how much more difficult it is to get successes on the front pages as opposed to the original crime.

Chief Constable, Mr Hugh Orde:

Well, I am slightly hopeful that the Newsletter might be more keen in the near future to reflect the successes that have been achieved.

I have a number of issues in terms of best practice and circulating best practice, we have a number of initiatives on that and we circulated to the Board a list of initiatives across all the DCUs in relation to crimes against the elderly, which I think shows certainly the commitment at the front end. In addition, over the last two days I know some Members of the Board were present at our Victims Conference. Yesterday's focus was on crimes against the elderly and I will ask Judith Gillespie just to come back on that in a little more detail because a substantial amount of work is going on.

Acting Assistant Chief Constable, Ms Judith Gillespie:

Yes, we are currently working with a lot of statutory voluntary groups. Referring to the list of local initiatives, which extends to nine pages, rather than go through all of those I want to highlight some of the province wide initiatives.

The "Stay Safe, Stay Secure Scheme" was introduced in October last year through a Steering Group with representatives of Help the Aged, Age Concern, The Housing Association, Housing Executive and the Northern Ireland Office Community Safety Unit. The Scheme was targeted at older people aged 75 and over, who live in burglary hot spots and by March 2006, 10,000 older people across 5 pilot areas will have benefited from this initiative. Funding has been to the tune of £21/4 million and the Scheme will also be supported by a series of television campaigns called "Lock Out Crime" and "Bogus Callers".

Locally we are working in partnership with local businesses and other agencies and have presented target hardening packages. In other words, door locks, chains, window locks installed in the homes of older people in identified hotspots. The criteria for these have been decided by the local Community Safety Partnership, rather than centrally. You will also be aware

from yesterday's conference there is a separate representative independent advisory group to advise on our policy and how to develop this area.

One of the initiatives that we are looking at this time is a province wide Community Watch Scheme and as the sub-group of that initiative, we are working on a further initiative called "Elder Watch". Also developing, referred to in one of the meetings when I did a previous presentation, is the "Dawn Patrol Scheme". This is for post primary school children on their way to school who would be engaged with a particular older or vulnerable person on their route to school. They would call on their way to school and on their way home to make sure that older person is safe. That ties in with the citizenship part of the Northern Ireland curriculum.

The Chief Constable has already mentioned the two day Victims Conference which was held on Monday and Tuesday. The second day focused entirely on crimes against older people. There is ongoing work with the analysis centre to highlight trends and hotspots but the recurring message that you quite rightly referred to is that crime is generally down and crimes against older people, particularly burglary and personal robbery are down on the same period last year. The need for the reassurance message was highlighted clearly at the conference yesterday and fear of crime has maybe created as many, if not more victims, than the actual crimes themselves.

There has been a lot of work done throughout our own media department regarding good news stories and making sure that where individuals have been charged with serious offences against older people that it is well publicised. But as you quite rightly say that is not always as attractive a story as the negative images that have been portrayed. This is ongoing work.

Another key theme which emerged at the conference, I think it is important to mention it publicly, is the positive part that older people play within the community and the fact that older is not synonymous but vulnerable. Many

crimes against older people are preventable by their own action and portraying them as frail and powerless and vulnerable only serves in some cases to perpetuate the fact that they are being targeted. So our media message is keen to take account of this.

Chairman, Professor Desmond Rea:

Mr McQuillan, would you mind starting again and going from the beginning.

Head of Asset Recovery Agency, Mr Alan McQuillan:

As I said, we were set up in 2002 by the Proceeds of Crime Act 2002. We began when our staff walked through the door in April 2003 and in the last 11 months we have set the Agency up and begun to work on cases. We have 20 operational staff in Northern Ireland. As I said, our key roles are in civil recovery and taxation. This is just not about our role, this system works because it is a partnership between law enforcement and this agency. A partnership in terms of sharing information, getting the right results in terms of taking this forward. When the police refer a case to us it does mean that there is significant additional burden on them.

Some of our targets for the year, we had a target initially of taking on 15 cases this year to begin to investigate, when we saw how well we were getting on we increased that to 25 and as we sit today we have had 25 cases referred to us, with an extra one this week. We set a target that 80% of cases will be of the Organised Crime Task Force type. Of the cases so far referred to us, 76% meet that criterion, so 76% are the type of people who would feature in the annual Northern Ireland threat assessment for organised crime and terrorism. Indeed, just over half our cases are terrorist and about 25% are organised criminals and 25% are individual criminals working on their own or in a smaller group.

Our target for the year was set by the Home Office that we were to freeze or issue tax assessments for £3 million this year. As we sit today, we are currently at £2.7 million but we have a number of cases in the pipeline and I am comfortable that we will significantly exceed that £3 million target by the end of the financial year. So basically as an agency we are on target to meet the targets that were set for us for our first 12 months operation. That is in no small part due to the support we have had from our partners. As I said, 21 cases to date have come from PSNI, that is the biggest single rate of referral of any force in the United Kingdom, so PSNI have been referring very large numbers of cases to us.

Sam mentioned that 3 of those cases had to go back because of this hierarchy issue, further criminality was uncovered. That does not cause us a problem because our attitude is when the case goes back to PSNI we gave them all the material we have, we offer them any support we have and if they can prosecute the people, put them in prison and take their money away from them that is fine and if they cannot the case might come back to us at some future date anyway. So it is not wasted work, it is just another stage in the process.

Two cases that were passed to us, I think were passed quite legitimately, there was information to suggest that people were making their money from crime but on investigating it we found that they were actually making their money from quite legitimate means, although they did have criminal records and backgrounds. So in those cases we are not interested in that, if they are not making their money from crime it is nothing to do with us and we terminated those investigations. That leaves a total as we sit today of 20 cases. As I said, 84% of our referrals have come from PSNI, the rest from Customs.

I thought this (slide) may be of some interest to you as it shows the type of crime that the people we are acting against are involved in. Some people

have a tick here in more than one area of the pie chart because criminals will tend to make money in

different ways, they will take every opportunity they can to make money. The biggest single areas are clearly drugs, counterfeiting and intellectual property crime and also excise evasion. That largely mirrors what we would expect from the Organised Crime Task Force report. Those are 3 big money spinners in Northern Ireland and they are 3 major priority areas in terms of the cases that people have been referring to us. Obviously this is on the basis of case numbers and not case value. That gives you some idea of the spectrum because aside from those, we are dealing with people involved in armed robbery, loan sharking, handling stolen goods and in some cases theft as well.

To date we have taken formal action in the Courts of Tax in 6 cases. I have cases under investigation from every corner of Northern Ireland, from Fermanagh to Derry to Limavady, Coleraine down to Belfast, South Armagh. We have cases from all over the province under investigation and we have people from all sections of the community under investigation.

You will see here the mix that we have brought into action to date and you can see the spread. Four of them have gone for civil recovery in the High Court, 2 have gone for taxation and the total value of the assets or tax in those cases we estimate at

£2.75 million. Twenty cases, 6 under action, I hope to get 4 more into formal action in either the High Court or Tax Court this financial year, so that is basically one a week for the next 4 weeks on average. As I said we are exceeding our targets, we are currently investigating about £8 million worth of assets and I am confident by the year-end we will have significantly increased the figures again above our target levels.

Can I stress again that this is a partnership approach, we work very closely with the police, customs and any other law enforcement agency. We could not achieve what we are achieving without their support in terms of providing the intelligence, the

backup, the information from the records that they give us, and particularly in the case of the police because of some of the people that we are dealing with. I always remember in our first search where we searched the premises of an individual with a warrant under our Act, not only did we find financial records, we also found the parts of an under car booby trap bomb, ammunition and detonators as well. So we do get tremendous support from the police in terms of the security of our staff and assistance when it comes to performing these searches.

Chairman, that is the end of my presentation and I would be happy to answer any questions.

Chairman, Professor Desmond Rea:

Any questions relating directly to these two presentation.

Mr Alex Attwood:

The first is to Sam and that is, you mentioned in your submission that there was evidence of people trafficking. Barnardos and other established organisations suggest there is now some evidence of trafficking in children in the North, would you give some comment upon that suggestion from those organisations.

The second question is to Alan. There are some suggestions that over £200 million is lost to the British Exchequer arising from the fuel smuggling and a further suggestion that up to half of the fuel smuggling in Northern Ireland is

done by or on behalf of the IRA. Are you in a position to comment both upon the accuracy of the loss to the Exchequer and the accuracy of the allegation that up to half of fuel smuggling is done by or on behalf of the IRA?

Assistant Chief Constable, Mr Sam Kinkaid:

Chairman, I made no reference to people trafficking in the presentation. For information, I have a similar technical problem with the visual display, I had 12 slides and only 3 worked, so Alan and I both were affected.

In relation to the fuel smuggling, it is clearly a very key part of the Organised Crime Task Force work this year. The whole issue is not just of fuel but excise avoidance in terms of tobacco, alcohol generally and fuel smuggling. We work very closely in this particular area with Customs. In terms of many of the offences Customs lead in many of the areas and the PSNI do a lot of supportive work with them. Although in terms of referring matters to ARA people who are benefiting, we believe from fuel smuggling, would clearly be a case and if it fitted the other criteria, either ourselves or the Customs agencies would be referring this to the Asset Recovery Agency.

You asked a question about the type of people involved in that particular crime. You are entirely accurate in relation to that one. You can see a pattern across various parts of organised crime, like extortion for example is, on the whole, a loyalist type activity and certainly fuel smuggling is clearly one that has been widely practiced by people associated with various republican groups, both provisional mainstream and dissident republican groups have both been involved.

Chairman, Professor Desmond Rea:

Mr Alan McQuillan.

Head of Asset Recovery Agency, Mr Alan McQuillan:

I think Chairman that perhaps Sam has answered the question for me as well. Basically, in my experience from the past and in terms of this role, the reality is that the majority of republican paramilitary activity in organised crime tends to focus around these excise offences which are big money spinners. In terms of the figure of £200 million per annum, I am not in a position to confirm that, Customs would have to do that but it does not seem to me to be an unreasonable estimate. One thing I would say to you of course that that is may be the turnover, the actual profit element from that is significantly less because they have to buy the fuel, process it and pay people and there is a lot of infrastructure and costs in it. The profit is a lot less but it is a huge money spinner and traditionally it has been organised across the border, particularly in South Armagh and particularly by republican groups, particularly PIRA.

Chairman, Professor Desmond Rea:

I have 6 questions and I am not going to take any more on this area and would ask you all now to make your questions concise.

Mr William Hay:

Mr Chairman, first of all we would all say that the Asset Recovery Agency has been a success story in such a short time, there is no doubt about that. But I would also say that there seems to be the impression out there from the public, rightly or wrongly, that when it comes to loyalist involvement and republican involvement in this type of crime, there certainly would be an impression that at this minute in time that it is leading loyalists that are being brought before the courts. Rightly so, because I do not think we should distinguish against any of them, they are all criminals. But, certainly when you listen to Mr McDowell or other senior people within Government they will tell you that the republican movement abroad is involved in a very large quantity of illegal activity and that some of that legal activity is funding Sinn Fein. But there does not seem to be the same high profile cases being

brought before the courts when it comes to the republican movement. Now that would be the impression out there from within the unionist community that at this minute in time the Agency seems to be more going after loyalist terrorism, and rightly so, but when it comes to republican terrorism that high profile is not there.

Assistant Chief Constable, Mr Sam Kinkaid:

Can I just say a word on that initially before Alan. It may help if I explain quickly from the PSNI's prospective what the referral criteria are and make it absolutely clear that there is no quota arrangements working in this. The key issues for me and the people in Crime Ops who look at these cases and working across into ARA, is first of all is the person concerned suspected of deriving substantial income from involvement in crime. That is the first question you ask. Secondly, does he possess significant identified assets which cannot have been obtained by legitimate means and are we conducting a criminal investigation and if so, has any evidence been found to support

a prosecution. These are the first group of criteria and then you look at what falls out of that. What you may have is a situation is that there are people who, the third criteria in particular, they are being investigated for finance but they are being investigated by us so consequently they are not at this stage suitable ones to transfer across to ARA.

On looking at the groups that we have sent across it reflects what Alan has said for the whole of his submissions, we have sent across republican groups, loyalist groups, organised crime gangs who are not associated with paramilitary groups and individual criminals. We have hit the full spectrum and there is a considerable body of work for us to continue to do and that depends, obviously that we pass these criterions, that we are not investigating certain people now, that will allow them to be passed across, and the amount of resources that the ARA have in the sense of being able to obtain them because we can keep putting them in but we have sort of

reached a quota for this year in terms of the ARA in terms of passing the cases across.

Head of Asset Recovery Agency, Mr Alan McQuillan:

In terms of that, following on from Sam, this is an integrated system. For example, if you take fuel smuggling our colleagues in Customs have done a huge amount over the last number of years but particularly recently in terms of fuel smuggling. That actually led, I think last year was the first year for about 5 years, that there was a rise in the quantity of fuel purchased through legitimate excise sources in Northern Ireland and I think the volume of fuel purchased in that way went up by something like 15% last year, so this is part of an integrated system to tackle organised crime.

In terms of my Agency we have, as I said earlier, people under investigation and in action here from all sections of the community. People who are associated with groups from both the loyalist side and the republican side and I have no problem whatsoever in dealing with cases from republican groups be they PIRA, RIRA, CIRA or anyone else as much as loyalists. I think what people are seeing at the moment

are the first 6 cases that have emerged from the work of the Agency. There will be more cases later this year and later next financial year and I think that that will give a fairer picture of the spread and nature of some of the people we are going after but there are people from the mainstream on both sides under investigation by my Agency.

Chairman, Professor Desmond Rea:

Mr Brian Dougherty.

Mr Brian Dougherty:

First of all, congratulations in terms of the work that the Agency has done, particularly in terms of the big hits that were documented this week. But certainly, as Willie said there are two kinds of perceptions or images out there, at local level. The first one is with the increase of drug dealing activity, you have certain individuals within society who are openly flaunting their wealth without having any discernable form of income. Secondly, the number of sources now that are distributing illegal cigarettes, for example, intends to indicate that the police are turning a blind eye to these sources. Can you provide assurances that the small scale criminal is not being ignored in pursuit of the big hitter?

Head of Asset Recovery Agency, Mr Alan McQuillan:

In terms of my Agency, the Act says that before I can take action against them they must have £10,000 or more in assets derived from crime. So in a sense that filters out some of the very small cases like the corner shop selling cigarettes, that would probably be unlikely to come within that criterion. We are focused on the organised level above them that is wholesaling the cigarettes to them but within that we are determined to take cases from as wide a spectrum as possible. The amount of assets that people have that we are investigating have ranged from tens of thousands of pounds in either tax or criminality up to millions. We are trying to keep some space for those ones that are at the bottom end of the spectrum so that they do not feel that they are invulnerable.

Chairman, Professor Desmond Rea:

Alan McFarland.

Mr Alan McFarland:

Can I ask Alan McQuillan whether the names of all those involved will be published, will they be in the public domain. Secondly, we have indications that the Government is not giving you enough funding to do your work as well as you could do or need to, in order to be fully successful?

Head of Asset Recovery Agency, Mr Alan McQuillan:

In terms of the names of the individuals, we are pursuing 2 types of process. The first one is the process in the High Court. We are bound there by the rules of the Court and that will depend I suppose, on an individual basis each case by the directions of the judge. In some cases the names have come into the public domain, in other cases there might be reasons why their application might be made and the judge might prevent that, I do not know, but in general in civil cases I would anticipate that many of the names would come into the public domain. Tax is quite different, there is a legal barrier in the taxation legislation nationally to me disclosing any information about the tax affairs of an individual tax payer. So, in the tax cases it is unlikely in my view, unless there is a change in the law, that the names will come into the public domain.

Certainly from official sources, I have to say in my experience, particularly with certain groups and particularly around Belfast, that they do talk about this themselves and journalists find out about it by other means but that is the only answer I can give to that.

In terms of the issue about resources, we have built up a very effective organisation I believe. The limitations on what we do are governed by really 3 abilities. First is the ability of our partners, the PSNI and Customs to provide us with cases and

information, second is our ability to recruit very high quality staff and third is our ability to fund the cases. We can recruit very high quality staff in Northern Ireland and in one recent competition for 2 jobs we had over 450 applicants and we were able to recruit a very high quality pool of people. We have got excellent systems in place with our partners, the information flow from PSNI and Customs is now superb. We get the information we need and we get it

quickly and we get tremendous support. The issue then is the issue of funding, I cannot answer that, that is fundamentally a political issue for Government, all I can say is that I will do everything I can with the powers we have got and the money we have got to deliver as many cases as possible, as quickly as possible.

Chairman, Professor Desmond Rea:

Viscount Brookeborough.

Viscount Brookeborough:

Alan thank you. You have answered half the question and my other half of the question was to Sam. Would you like to refer more cases to the ARA but they have not got the resources to investigate them? Secondly, looking at the future, do you foresee an increase in cases over the foreseeable future in the next couple of years?

Assistant Chief Constable, Mr Sam Kinkaid:

This looks very much like Alan McFarland's question coming around in a different way. Certainly the position we were in when we started up our work with ARA was that we had to revisit our systems because it was sometimes easy to find someone who fitted the criteria but quite correctly the ARA were coming back and saying "do you want us to stand in front of a High Court judge and prove this?" So, we did some work to try and quickly make our business processes much more efficient in getting material across. I think the trick for us now is that we put cases across as much as possible, only have most of the backing information in place for it. The important thing to note is that I hope there will clearly be an increase in police financial prosecutions

over the next 2 years, not just referrals to ARA and we go back to that sort of hierarchy of approach that Alan spoke about, I would far rather catch these people, have them prosecuted to the court and take their money, than simply take the civil line. That means, as indicated in the last slide, the increase not

just in police but in outside financial investigators that we are going to have this year and there is additional staff going into the whole organised crime side by May to do that. We certainly would like to have a standardised approach now that in every serious investigation, particularly involving with anything to do with dishonesty and not just drugs, right throughout the whole thing there will be a standard feature that it will involve a very efficient financial investigation. The line should be that as much as possible anyone appearing for serious offences at the courts in Northern Ireland the issue will be what is going to happen to the proceeds of any crime they have gathered. Certainly I think when the new public prosecution system comes in that will be an automatic system that will just come into place. We are now trying to back fill experienced staff, so the short answer is, yes. We would like to give more cases to the ARA but I want to see an increase in the number of police financial investigations per se the criminal type, I think that is just as important.

Chairman, Professor Desmond Rea:

Mr Sammy Wilson.

Mr Sammy Wilson:

Both to Alan and Sam, first of all I think that anything which targets the proceeds of crime and any actions that targets the proceeds of crime are to be welcomed. However, given the figures which we have had here today where Sam you had indicated that about £300 million worth of money laundering going on, the historical proceeds that are sloping around the system, and the fact that we do not know, but it is estimated, that there are £100s of millions every year in terms of turnover from fuel smuggling and smuggling of other nature of counterfeit goods etc. Do you really think it is a success to have seized this year or set a target of seizing this year £3 million

worth of assets. Are criminals not laughing at it? Less than 1% of the money which Sam has told us is sloping around is being laundered, probably a very

small proportion of the revenue which is being raised this year through criminal activities will be represented by that amount. Does it not show rather than being successful we are not really on top of the whole question of organised crime?

Assistant Chief Constable, Mr Sam Kinkaid:

Yes, those figures are significant and there are one or two particular investigations that we are currently running that would account for some of the largest proportion of that £300 million. We are obviously not going to talk about that publicly, but they are significant figures. In some of these cases the important thing to realise is that a number of those have not come near to Alan yet, these are criminal financial investigations that we are running. Money laundering investigations are police investigations, so we have a figure about £300 million that we are looking at. Now if for example, it comes to the point that for some reason we cannot take the people to court for the monies in terms of a prosecution, they then go across to ARA for civil recovery of those monies. Some of those figures, I have to say, relate to monies not inside this jurisdiction they are investigations that we are carrying out that are taking us to other parts of the world where those funds currently. But in many cases if we cannot prosecute they will be referred across and Alan has not seen the facts of some of these cases as they have not been referred to him yet.

Head of Asset Recovery Agency, Mr Alan McQuillan:

I think your point is well made Sammy. As you say, the amount we have frozen so far this year is 1% of the estimated total of revenue from fuel smuggling for example and the answer therefore is that this is only a start. As Sam said, you have to view this as part of an integrated system, it is not just ARA, it is police and customs but it is only a start.

The other thing I would say to you is this, you say “are terrorists criminals laughing at this”, some of them may be but the reality is if you are sitting as some people are now with a tax bill of £250,000 on the table, you are not laughing. If you had 11, 12 or 15 houses and suddenly we put a receiver in who takes control of those and takes them away from you, collects the rents into a separate account, gives you monthly living expenses and you face the prospect of losing all the property in the High Court at a later date, you are not laughing then either. All the people that depend on you for the monthly income to help keep the organisation going are not laughing either. So, it is having an effect and I hope that the ripples of those effects will spread across the organisation. I think there are already some signs that some of the organisations are taking it into account and we can already see the squirming in some quarters of concern about the impact this could have. I would want to spread that out fairly across all sections of the terrorist community and the organised crime community.

Chairman, Professor Desmond Rea:

Mr Ian Paisley Jnr.

Mr Ian Paisley Jnr:

Chairman, I have a question for Alan. The border obviously presents an opportunity for IRA smugglers in particular the fuel laundering aspect, are you getting sufficient cross-jurisdiction support in the work which you have to play in making sure that those people engaged in crime are stripped of their assets and are prevented from continuing their crime?

Head of Asset Recovery Agency, Mr Alan McQuillan:

Yes, Chairman I have to say and I should have mentioned earlier perhaps, **(tape unclear)** ...that the property in Northern Ireland and our colleagues in the Criminal Assets Bureau did a similar job in the Irish Republic in relations to theirs, so there is a lot of co-operation going on. CAB have been of tremendous assistance in giving us advice and almost

mentoring us as we setup. They have been of great support to us and I think that the relationship is developing very rapidly and will lead us on to working jointly on a number of cases.

Chairman, Professor Desmond Rea:

Mr Denis Bradley. Question relating to the Stormont raids.

Mr Denis Bradley:

Chief Constable, the raids on Stormont 18 months ago led to the PSNI becoming inextricably linked to the suspension of devolved government at that time and continuing to the present day. Can the Chief Constable advise the current with regard to those persons arrested in connection with the Stormont raids?

Chief Constable, Mr Hugh Orde:

Chairman, obviously these are matters that are still going through the judicial process but what we can do which I hope once and for all clarifies the situation and the speculation is give details of what the charges are and I will ask my ACC Crime to do that.

Assistant Chief Constable, Mr Sam Kinkaid:

The preliminary enquiry was held at the Belfast Magistrates court on 5 February when 3 defendants, Mr Donaldson, Mr Kearney and Mr Mackessy were returned for trial. The facts of the cases are:

Mr Donaldson is to be indicted on 3 accounts of possessing information of a kind likely to be of use to terrorists. These charges are (1) material relating to the registration numbers of military vehicles, military and police deployments contained in daily incident briefs and a floor plan of offices in Castle Buildings used by the NIO, (2) information about the movements of individuals involved in loyalist, political or paramilitary activity, contrary to section 58 (1b) of the Terrorism Act 2000 and (3) personal details of a former holder of a judicial

office, 2 former members of Her Majesty's Forces and a constable, contrary to section 103 (1b).

Mr Kearney is to be indicted on 2 accounts of possessing information of a kind likely to be of use to terrorists. These charges are (1) personal details and information about the movements of persons involved in loyalist, political, or paramilitary activity contrary to section 58 (1b) and (2) personal details of former members of Her Majesty's Forces contrary to section 103 (1b).

Mr Mackessy is to be indicted on 2 accounts of collecting information of a kind likely to be of use to terrorists. These are, information relating to the registration number of military vehicles, material relating to military and police deployments contained in daily incidents briefs and a floor plan of offices in Castle Buildings used by the NIO contrary to section 58 (1a) and (2) personal details of a former holder of a judicial office, former members of Her Majesty's Forces and a constable contrary to section 103 (1b).

In respect to a Ms Farley, the DPP considered that the evidence available was insufficient to sustain a reasonable prospect of prosecution and the charges were withdrawn.

I have checked that these were the facts that were given at the court.

Chairman, Professor Desmond Rea:

Mr Paisley Jnr has a question relating to the security threat.

Mr Ian Paisley Jnr:

In your earlier comments Chief Constable you did mention the attempted abduction and whatever else of Bobby Tohill. Could you first of all pass on to the officers that came across that incident, congratulations for their police work. They obviously saved a life of a person who probably did not want the police to save his life, maybe wanted others to save his life but nonetheless your officers should be congratulated for their work on the streets which

prevented crime. Specifically on the terrorist threat, can you update us on the present level of security threat from terrorists? Can we expect as a country more of this “spring cleaning” activity by the provisionals as opposed to housekeeping activity. Can we expect your police officers to be on top of provisional IRA and other terrorist group activity? Do you, like the former regional head of

Special Branch and indeed, the Prime Minister of the Irish Republic, do you believe that Gerry Adams is a member of the provisional IRA? Do you believe that he is in the army council of the provisional IRA? Could you confirm that you would not be able to charge him even if you did believe those things because of the same Act which prevented you from charging the people involved in last Friday’s activities, in Belfast, of membership because of the Sentences Act which specifies that organisations on ceasefire cannot be held to account in this way?

Chief Constable, Mr Hugh Orde:

Chairman, these are several questions wrapped into one, none of which I have had notice of but in broad terms in relation to the rescue of Mr Tohill, we have said unequivocally that we believe it was a provisional IRA operation, 4 people have been arrested, they are charged with substantial offences and it is now a matter for judicial process.

I have also said, equally, in fact the day before that case, in an interview to the BBC, I said with equal clarity that the UDA was still responsible for a large number of punishment beatings and shootings within their own community.

They are still

involved in drugs, the pedalling of drugs and extortion and other matters. So, in terms of paragraph 13 activity, as it is commonly referred to, I think that both sides are not keeping to the spirit of that agreement whatsoever. What I have also said though is that, I do not think, on the current intelligence, my

assessment is, that the provisional IRA are not going back to an armed struggle.

In relation to the issues around individuals, I do not intend to discuss individuals or comments made by former police officers who are currently not under my control. I am confident that my officers are more than fit for purpose. You simply have to look at the number of people arrested over the last year, not only in terms of ordinary crime but in terms of terrorist activity, to show that we are well informed and on top of it as best we can be. It would be naïve however to say that we have a full picture of what is going on because simply the world is not that perfect.

Chairman, Professor Desmond Rea:

Mr Attwood has a supplementary.

Mr Attwood:

Thank you Chair and Chief Constable for that answer and further to that answer, given that you have identified that the UDA are involved in a large number of shootings, beatings, extortion and other matters which is not consistent with the letter or the spirit of paragraph 13 of the Declaration. Are you in a position to confirm to the Board and to the wider public, the range and nature of activities that the IRA may be involved in, which is contrary to the spirit and subsidence of paragraph 13, over and above any allegations of their involvement in abductions or punishment beatings? Are there any other matters, in the way that you have been clear and concise about UDA breaches of paragraph 13, are there any other matters that you believe should be brought to the public's attention in respect of any other IRA activities that are contrary paragraph 13 of the British /Irish Declaration?

The Chief Constable, Mr Hugh Orde:

Chairman, I thought I had made it clear as I said that both are breaching paragraph 13 on both sides. I do not ignore punishment beatings but the

point I frequently make on these occasions is what both sides are actually doing is crippling the next generation of their own people. I attributed over 50 punishment beatings and shootings to the UDA and I would probably put a similar number on those sort of crimes committed by the provisional IRA. What we are doing is working in other ways, a point I made earlier, at catching these punishment gangs because the victims are simply too terrified to co-operate with the police. Both sides are breaching the paragraph 13 Agreement, both sides need to think about the future of Northern Ireland and move on from that. In the meantime if they commit crimes as I said to the BBC, if they think it is okay to commit the crimes we think it is okay to arrest them and we will continue to do that.

Chairman, Professor Desmond Rea:

Final question Mr Foster on the Full-Time Reserve.

Mr Sam Foster:

This is a question which is echoing actually what has been asked in the community. Will you Chief Constable be satisfied that the PSNI will be an effective force in the aftermath of April 2005, when it is intended to begin the phasing out of the full-time reserve? Will you be much dependant then on trained, but less experienced police officers and also under-strength, to deliver effective and efficient policing amidst the surround of terrorism and ordinary crimes so prevalent in Northern Ireland? Should this community be put at risk to satisfy political ambition as opposed to real community need?

Chief Constable, Mr Hugh Orde:

On a number of points, the first one is we will be fully established at our regular strength for 7,500 officers for the first time by April of this year, so I will be up to

strength in keeping with the Patten recommendation by April of this year. In relation to the phasing out of the Full-Time Reserve, that is, as I have said publicly, a matter that I will bring back to this Board after the 'marching season' when we have had a review of the security situation. I am not in a position currently to second guess what that review says and as a result of that what I come to the Board and ask.

Am I confident that my officers are fit for purpose? I am extremely confident they are fit for purpose they are highly trained and they are well qualified, even the average age of our new recruits is in excess of 26 years old. We also have the first 4 pilot sites of our part-time reserve officers coming on stream shortly and we will attest our first new part-time police officers this Friday. So, our officers are coming in, not only in the regular sense but also 4 districts that will benefit from part-time officers who will work within their local communities with their regular colleagues and their full-time Reserve colleagues. I am confident that I will deliver efficient policing now and I am

confident that I will deliver efficient policing regardless of the outcome of the review that has yet to be determined. That is what my job is and you hold me to account for it.

Chairman, Professor Desmond Rea:

Chief Constable, thank you very much indeed to you and through you to your colleagues for taking our questions today and a special thanks to ACC Sam Kinkaid and Mr Alan McQuillan for their presentations.