

Herman Goldstein Awards 2008 Application form

1. Title of the project: **Operation Seahog**

2. Key issue that the project is addressing e.g. Alcohol related violence:

Intimidation, extortion, damage and arson connected to security contracts on construction sites across Merseyside.

Author contact details

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Secondary project contact details

8. Name of secondary contact involved in the project: **Chief Superintendent Andrew COOKE**

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Summary of application - *In no more than 400*

Scan & Analysis

This project commenced in July 2006 in response to increased tensions and a number of incidents involving security companies on building sites. These incidents included intimidation, extortion, threats of violence and damage. Two high profile incidents in particular involved arson attacks on a Bellway Homes site and a Habitat for Humanity site, both resulting in over £1,000,000 in damage.

Due to the award to Liverpool of Capital of Culture status and various other regeneration initiatives across Merseyside, there was a vastly increased amount of construction work taking place. The contracts at these building sites were extremely lucrative ranging between hundreds of thousands of pounds to millions (e.g. The Grosvenor Project.) Therefore Security companies were keen to gain as many site security contracts as possible, including using criminal methods to gain these contracts.

There was intelligence in Force systems that indicated many of these security companies were engaged in other types of criminality including drugs supply, criminal use of firearms and murder.

Response

The aims and objectives of the project are as follows:-

- Stabilise and legitimise the security industry across Merseyside
- Ensure the safety of people and buildings within the construction and security industry
- Attack criminality, disrupt and prevent disorder within the security industry
- Enhance the confidence of the community that the Force can deal with serious and organised crime
- Use a multi agency approach to achieve the aims of the gold strategy

This project will demonstrate how problem solving has been used to legitimise and stabilise the security industry across Merseyside, it will evidence how minor legislation can be used to target serious and organised crime and dismantle some of the largest security companies in Merseyside with an annual turnover of millions of pounds.

It will demonstrate excellent partnership working at a strategic level and how council policies have now been changed to effectively “design” this problem out.

Evaluation

This project has been ongoing for nearly two years, it has addressed the issue Pan - Merseyside and not just locally. It has reduced incidents described above to nil and dismantled 4 of the largest security companies in Merseyside. It has been identified as national best practice by HMIC, the Metropolitan Police have identified it as a tactic to use in the build up to the 2012 Olympics. Operation Seahog was reported on in a very positive light by the television program Panorama.

Section C: Description of project - In no more than 4,000 words.

Scanning and Analysis:

The first stage of this project was to carry out an “intelligence scope” across Merseyside in conjunction with partner agencies. The activities for this are as follows:-

Each of the six Basic Command Units (BCU) were given a task to identify every construction site within their area and collate the following details:-

- The construction company and Head Office address/telephone number
- The site managers name/telephone number
- If there was a security company on site ascertain the name, address and telephone number

Each BCU Intelligence Unit set up their own database containing all this information which was included in the BCU briefing documents and was accessed centrally to glean information, ensure compliance and ensure new construction sites were inputted as building work commenced. The Force then set up a corporate database containing a list of all construction companies and security companies operating within Merseyside together with significant people who were involved in these companies particularly the security companies.

Other agencies were then consulted such as The Chartered Institute of Builders (CIOB), Security Industry Authority (SIA), Major Institute of Builders (MIB) and the Private Security Industry Authority (PSIA) It was from these agencies that several other construction and security companies were identified who were operating within Merseyside.

Once all the construction and security companies had been identified, a letter was sent to them all from Chief Superintendent Andrew COOKE, outlining the scale of the problem and, more importantly, how Merseyside Police were going to respond including all the aims and objectives of this project. The letter also included details of a “hot” confidential reporting email address that could be used in confidence by both the construction and security industry.

The Police together with the SIA then held seminars at local Hotels, one for the construction industry, the other for the security industry. Every construction and security company operating in Merseyside were invited to these seminars, they were well attended. Presentations were delivered from both Police and the SIA highlighting the scale of the problem, the aims and objectives of the project and how the Police together with their partners were going to achieve these aims. The confidential reporting email address was again marketed. The SIA delivered presentations regarding the Private Security Industry Act (PSIA) together with details of their Approved Contractor Scheme (ACS).

Analysis was carried out taking cognisance of all incidents connected to the security and construction industry, these incidents included arson, damage, theft, threats and intimidation. This information added to the overall problem profile and intelligence picture.

The security industry in Merseyside has long standing links with criminality, disputes over security contracts are often dealt with in a criminal way using firearms, violence, threats and intimidation. The first stages of this project were already having a significant impact resulting in an increase of intelligence and information from all partner agencies, construction companies and security companies. The confidential email address was being used on a regular basis to report incidents that, due to a lack of confidence in the Police, would not normally have been reported.

Detailed analysis was then carried out taking cognisance of information and intelligence available from the below:-

- All data of reported incidents
- Construction companies
- Security companies
- Confidential Operation Seahog email address
- Partners such as SIA, PSIA, DWP, Immigration, HMRC, CIOB, MIB
- Sourced intelligence
- Intelligence already in Force systems including other criminal enterprises etc
- The Force Risk Register

From this analysis the top six security companies were selected. These companies, in order of priority, were to be targeted by Operation Seahog. Further analysis was undertaken on the six companies and the individuals linked to them, a business profile was completed on each company and financial profiles on all of the individuals linked to them.

The Private Security Industry Act (PSIA) was still in its infancy. It was a requirement of the Act that;

- Any person engaged as a security guard is required to hold an SIA licence. If they contravene this, they commit an offence under section 3 of the act punishable upon first conviction with a fine or 6 months imprisonment.
- It is also a requirement that any person responsible for the day to day running of the company who can also be the owner is required to hold either a front line or non front line licence. If they contravene this they commit an offence under section 5 of the act punishable upon first conviction with up to 5 years in prison.

It was suspected from the scan and analysis that compliance with the PSIA across the security industry was appalling and required further investigation.

On 21st September 2006 following months of engagement with the construction and security industry together with other partner agencies Operation Seahog was launched. This element of the operation continued the scan and analysis phase with the emphasis being on visiting construction sites and testing compliance with the Private Industry security Act. Sites guarded by the selected top six security companies were also prioritised. Twelve teams were deployed across the Force Area, each team consisted of:-

- Police Officers
- Immigration Officers
- Department of Work and Pensions (DWP)
- Security Industry Authority (SIA)

The findings of this exercise were astonishing and revealed the following:-

- 82 sites were visited
- 9 Illegal immigrants arrested
- 26 offences relating to fraudulently claiming benefits detected
- Only 4% of guards were licensed resulting in 96% non compliance

The scan and analysis phase of the project was now complete. Consultation then took place with all key stakeholders to agree a way forward that will now be described in the response phase.

Response:

The initial response was to put in place a command structure to drive the project :-

- Gold Commander – ACC GALLAN
- Silver Commander – Ch Supt COOKE
- Silver Co coordinator – Ch Insp HARRISON
- Intelligence – D/Ch Insp WILLIAMS
- Investigation – D/Insp BLACK
- Disruption – Ch Insp BEIRNE
- Community Intervention – Ch Insp HARRISON
- Communication – Donna DAWBER

Strategy documents and minimum standards for any Seahog related incidents were put in place as follows :-

- Intelligence strategy
- Investigation strategy
- Disruption strategy
- Community intervention strategy
- Communication strategy
- Minimum standards of investigation for any Seahog related incident
- Forensic strategy for any Seahog related incident
- Minimum standards for disruption following any Seahog related incident

A weekly operational meeting was put in place. This continued from the outset until present day and it ensured that actions were driven and individuals held to account. Each BCU nominated a specific point of contact for Operation Seahog who would attend these meetings thus ensuring a coordinated approach across the force area.

In addition to the weekly operational meeting a monthly partners meeting was put in place. This meeting provided a forum to ensure that long term interventions were put in place to design out the problem. The meeting was chaired by ACC GALLAN and the attendance was as follows:-

- Police
- Security Industry Authority
- Private Security Industry Authority
- Chartered Institute of Builders
- Construction companies
- A representative from each of the five local authority areas in Merseyside
- Support After Murder and manslaughter

PARTNER INTERVENTIONS

The Security Industry Authority has a scheme called the Approved Contractor Scheme (ACS). It is a voluntary scheme accredited to security companies. In order to obtain such accreditation security companies have to go through an intrusive independent inspection process that looks at quality management issues. The inspection looks at processes within the company that are described below and the security company have to provide clear evidence that they have such systems and processes in place:-

- All employees are licensed including directors/owners involved in the day to day running of the company.
- Employer liability insurance

- Public liability insurance
- Grievance procedures
- Complaints procedures
- Registered at Company House
- Registered for VAT/PAYE
- Personnel processes for employees

Security companies who hold ACS are also afforded certain benefits. Eg. They can be issued with a dispensation notice that allows them to deploy up to 15% of their guards who do not have a license provided that they comply with certain conditions. This is particularly beneficial when taking on a new contract and the company require additional guards.

A decision was made to champion the ACS scheme and encourage security companies to gain the accreditation but also encourage construction companies to only employ ACS accredited security companies. Intelligence suggested that construction companies would be reluctant to employ ACS firms, as they were often intimidated into employing a particular company. In order to protect the construction companies, it was decided to approach local authorities to change local planning law which would require the companies to employ ACS security as part of their contracts. This would then give the construction companies a legitimate reason to refuse to employ rogue and criminal security companies who could never hope to become approved under the scheme.

Due to the Capital of Culture and various other regeneration projects across Merseyside there was a huge amount of building work taking place, much of which was being tendered by the five Merseyside Local Authorities to numerous construction companies. Through the Seahog Partners Meeting, all five Authorities agreed to look at the feasibility of adopting a new policy in the tendering process. This policy ensured that during the tendering process and issue of the contract there was a condition placed on the construction company that, if they employed a security company, this company must be ACS accredited. This policy was a legal document and effectively removed the decision from the construction company forcing them to employ an ACS security company. This was ground breaking and had never been previously considered anywhere in the country. Following discussions with Councillors, the process was adopted for all Authority contracts.

The five local authorities also employed security companies directly in Schools, Hospitals, Leisure Centres, and Community Centres. Once again, they changed their policy and would only invite tender for contracts from security companies who hold an ACS accreditation.

The Liverpool Archdiocese have a number of capital projects which require approval from their building projects committee. Their Area Surveyors have adopted this policy and included it as a condition of tender for all their capital projects and guarding services.

Liverpool Football Club are about to launch a massive regeneration project that includes a new stadium and have confirmed that an ACS security company will be used for this building work and the condition will be included in the tendering document. They also employ a security company for their current stadium and training complex and they have recently terminated a contract with a non-ACS security company to employ an accredited company.

In addition to the above, a process has been instituted to capture construction companies operating in Merseyside who are building private estates. When the Local Authority receives the planning application from a construction company and the application is for a substantial amount of building work (over 30 houses or equivalent), the Local Authority automatically notify the Force Crime Reduction Officer. The Force Crime Reduction Officer will then arrange for a letter to be sent from ACC Patricia GALLAN to the construction company that outlines the aims and objectives of Operation Seahog and requests that the construction company employ an ACS accredited security company.

This is a long term strategy that will continue to design the problem out. The clear message being sent out

to security companies is that they either get on board or they are part of the problem. Financially they are extremely aware that if they do not legitimise their business and obtain the ACS accreditation they will be unable to obtain contracts on Merseyside. In stark contrast, companies who do invest and legitimise will flourish and will be able to tender for more lucrative contracts.

As the result of these interventions, numerous non-accredited security companies had their contracts terminated in favour of accredited companies (who, in addition to having a proper business infrastructure were fully aware that accreditation could be lost if they were involved in criminality.) As a result of this, there was a potential risk of threats, intimidation and damage to people and buildings within both the security and construction industry. It was vital that both these industries received the full support of all partner agencies. To address this a number of Independent Advisory Groups were set up across the Force. The trigger for setting up such a group was a change in security company on particular contracts or any Seahog related incident that had been reported via the partners meeting, the confidential email address or any other means. The local IAG would consist of the following:-

- Police
- Local authority
- Security company
- Construction company
- Local Community/Key opinion formers
- Councillors

The IAG would give the security and construction company that local level of support, crime reduction and arson reduction risk assessments were carried out on the site and target hardening measures were implemented as per the recommendations. A number of covert and overt measures were also put in place, which are reported under the investigation strategy.

DISRUPTION

A dedicated disruption team was established consisting of a Sergeant and four constables who were tasked with adopting a “scatter gun” approach across Merseyside. This would involve visiting construction sites to check compliance with the PSIA and reporting for summons security guards who were committing offences under section 3 of the Act.

The team also built links with both the construction and security industry submitting vital intelligence and also recruiting several informants. The team would link in with all the local IAG meetings across the force area and ensure that sites under threat were given attention.

The disruption team worked closely with the Immigration Service arresting several illegal immigrants who were employed as guards on construction sites. One example of their success was their identification of Nigerian immigrants obtaining SIA Licenses using a false name, date of birth and address. This uncovered a national problem within the registration of guards which was raised within Parliament and highlighted in the media. The Security Industry Authority subsequently changed their vetting procedures to close this loophole.

The team also built excellent links with the Department of Work and Pensions and regularly ran joint operations, the results of which are reported on subsequently.

The overarching aims of the Seahog strategy was to target the serious and organised criminals who were controlling parts of the security industry utilising relatively minor legislation. This was achieved as follows. The disruption team would summons guards for a Section 3 offence under the Private Security Industry Act. Once a company had more than 6 section 3 prosecutions the investigation team would target the owners/directors of the company for offences under Section 5 of the PSIA. It was these individuals who

were involved in other criminal enterprises that involved drugs supply, violence and firearms. The investigation team would then deploy the disruption team to obtain further Section 3 prosecutions against the top six identified companies. Once the decision was made to progress a Section 5 prosecution both the investigation and disruption team would then gather evidence from the construction companies obtaining details of contracts, payments, who they dealt with on a day to day basis regarding deployment of guards etc. The Section 5 prosecutions will be explained in more detail under investigation.

Merseyside Police were the first Force in the country to prosecute under both section 3 and section 5 of the PSIA. In order to facilitate understanding and ensure a professional approach to the prosecutions, the CPS were consulted and a dedicated prosecutor was appointed. In addition, local Magistrates received an input on the Act and the aims of Merseyside Police so that they understood the new law and the implications. They were fully sighted on “the bigger picture” and that the Section 3 prosecutions were a strategy to target the company directors and owners.

INVESTIGATION

A small investigation team was established consisting of a Detective Inspector, Detective Sergeant and six Detective Constables. Their role was to:-

- Conduct all Section 5 investigations
- Implement a forensic strategy and coordinate forensic links for Seahog incidents
- Consider all intelligence opportunities
- Utilise covert and proactive tactics and explore opportunities
- Engage partner agencies with all financial investigations
- Exploit opportunities under the Proceeds of Crime Act (POCA)

Once the decision was made to target a company for Section 5 offences following successful prosecutions for offences under Section 3 of the Act, the investigation team would identify all key individuals involved in the day to day running of the company. These individuals were identified using police and partner data such as information from Companies House, Department of Trade and Industry, the SIA, DWP and HMRC.

Warrants were obtained and executed at all of their addresses including the company address, numerous exhibits were seized as the result of these raids including drugs, cash, financial documentation, computers, employee records etc. All identified targets were arrested for offences under section 5 of the PSIA.

Following the arrest of the owners/directors they were subject of an initial interview following which the investigation team implemented multi agency investigations working closely with the below mentioned agencies:-

- Security Industry Authority
- Department of Trade and Industry
- Immigration Department
- Department of Work and Pensions
- Regional Assets Recovery Team
- Inland Revenue (Direct taxes, PAYE & VAT)
- High Tech Crime Unit (Interrogation of computers)
- Health and Safety Executive

To date, the investigation team have targeted ten security companies for Section 5 offences which has resulted in the majority of these companies going into liquidation following being issued with VAT and tax

bills amounting to millions of pounds.

The investigation team also provided a covert capability and, due to the support afforded to the construction industry and legitimate security companies via the partners meeting and IAG's and the resultant increase in confidence in the Police, the investigation team has worked very closely with both industries and have been able with their cooperation to adopt the following tactics:-

- Installation of covert cameras
- Phone recordings
- Phone analysis
- Cell sitting
- Recruitment of covert human intelligence sources
- Use of recording devices
- Use of witness protection tactics
- Warnings under the Harassment Act
- Undercover deployment of Police Officers
- Directed surveillance authorities

These techniques were brought to the fore during Operation Trentish which was implemented following arson and damage caused to a construction site which was subsequently reinforced by threats of violence and intimidation directed towards the ACS security company guarding this site. This was further complicated by the lack of people willing to give evidence due to the threats and reputation of the serious and organised criminals making the threats.

Operation Trentish resulted in a fictitious security company being established by the Police. This company purported to be the parent company to the security company being threatened and negotiations commenced with the company making the threats. This strategy was established to prevent further damage, gather evidence and also remove the victims from the evidence chain. Over the forthcoming months several meetings and phone calls took place between the undercover Police Officer and the organised crime group that were making the threats including cash exchanges being made to prevent further incidents of damage. Audio recordings, video evidence, cell site analysis and voice analysis were all used in this operation to convict 3 individuals of obtaining money by menaces and extortion. All received substantial custodial sentences at court. This operation was also innovative using tactics never attempted in this arena before. In addition, following the court cases, a high profile media strategy reassured the construction and security industries together with the people of Merseyside that Merseyside Police and its partners were determined to drive the organised criminals out of the security industry..

This operation was delivered as the direct result of the trust and links that have been made with both the security and construction industry. The investigation team linked into the local IAG meeting that was set up to support both industries following the damage, threats and intimidation.

Assessment:

The main aim of this project was to "legitimise and stabilise" the security industry across Merseyside. During the initial scan and analysis phase it was established that only 4% of guards on construction sites were licensed. This has now risen to an impressive 95%, which cannot be replicated across the country. This is also cogent evidence that the standard of security right across the Force has been improved and that standards have also been raised within Health and Safety and working conditions for security guards.

There has been an increase of 40% in security companies in Merseyside obtaining ACS accreditation. This is clear evidence that security companies in Merseyside are investing in systems, processes and training, again this is a qualitative measure of how standards have improved.

The project has resulted in 46 person(s) being investigated for benefit fraud, one of these relates to one of the largest overpayments in the country. To date the actual detected figure of monies fraudulently claimed amounts to £278,000.

In terms of visits to construction sites across the Force the following has been achieved to date:-

- 700 site visits carried out
- 246 guards have been prosecuted for section 3 offences
- 52 companies are being investigated for employing unlicensed guards
- 156 guards found guilty of offences under section 3, further prosecutions are pending.
- 36 immigration offences being investigated by ISUK
- 700 items of intelligence submitted
- 5 informants recruited

There have been a total number of 69 search warrants executed resulting in 35 arrests for crime. At one address £285,000 in cash was seized and is now subject of a money laundering investigation.

10 Security companies have been targeted for section 5 offences amongst other criminal matters. They have been the subject of multi agency investigations with the following results:-

- 4 security companies have been dismantled and put out of business
- 3 person(s) from one company have been convicted of blackmail and sentenced to substantial custodial sentences.
- 4 Company directors have been convicted of section 5 offences, punishments have included fines in excess of £1,500.
- A further 13 company directors have been arrested for section 5 offences, they have been interviewed and are presently on police bail awaiting the results of CPS advice. Other agencies such as HMRC, DTI, DWP are also carrying out their own investigations against these individuals and it is envisaged that this will result in further prosecutions and invoices being issued totalling hundreds of thousands of pounds in unpaid tax.

The operation has achieved success in a number of ways.

- Confidence has been restored within the construction industry in the Police's ability to confront and deal with organised criminality, extortion and threats of violence.
- Innovative means have been identified to target organised criminality which has resulted in impressive operational successes
- Local community confidence and involvement has been harnessed to stand against key controlling criminals
- The extent of national media coverage has resulted in the Police receiving positive praise for the effective way it is dealing with a previously hidden but insidious problem
- Partnership working has resulted in an innovative method to plan out a problem which has resulted in organised criminals being financially targeted by Local Authorities
- Large scale police enforcement, both overt and covert, has been supported and effectively enhanced by partner involvement
- The operation has provided policing with a method to effectively remove criminality from the Security Industry and which is being adopted in other parts of the country (Metropolitan Police Olympic Planning)
- Reports of intimidation, damage and threats have become extremely scarce despite the increased confidence within the community to report such incidents.
- Finally, the operation has indeed achieved its main objective which was to legitimise and stabilise the security industry across Merseyside.

Prof Rob. T Guerette,
Assistant Professor,
Florida International University,
11200SW 8th Street Miami,
Florida,
USA,
33199.

Our ref. PG/ML

Your ref.

7th May 2008

Dear Professor Guerette,

Re: The Herman Goldstein Awards - Application Form 2008.

With reference to the above. I am delighted to support the submission of this innovative operation; Operation Seahog.

One of the key objectives of Operation Seahog was to legitimise and stabilise the security industry across Merseyside, This followed well-founded concerns that Organised Criminality underpinned sections of the security industry.

The operational strategy has provided an excellent example of how the creative use of legislation, disruption tactics and effective partnership working can be used to target serious and organised crime. It has dismantled some of the largest unregulated security companies in Merseyside.

The security industry has a turnover of millions of pounds and there is a necessity that it is legitimised and not at the mercy of criminal fraternities.

The results are impressive and are detailed within the attached application form. This unique operation saw an increased confidence, within the construction industry and in the Police's ability to confront and deal with organised criminality, extortion and threats of violence.

I highly commend this operation to you.

Yours sincerely,

Patricia F. Gallan,
Assistant Chief Constable.

*Patricia F. Gallan QPM
Assistant Chief Constable*

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