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**ABERDEEN CITY COUNCIL**

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<b>COMMITTEE</b>	Public Protection
<b>DATE</b>	21/05/2021
<b>EXEMPT</b>	No
<b>REPORT TITLE</b>	Fraud
<b>REPORT NUMBER</b>	POL/21/143
<b>DIRECTOR</b>	
<b>CHIEF OFFICER</b>	
<b>REPORT AUTHOR</b>	Detective Chief Inspector Fionnuala McPhail North East Division, Police Scotland  Val Vertigans, Lead Strategic Officer Aberdeen City Council  Carol Simmers, Adult Public Protection Aberdeen Health & Social Care Partnership
<b>TERMS OF REFERENCE</b>	5.7

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**1. PURPOSE OF REPORT**

- 1.1 To advise members regarding the current threat presented in respect of Fraud, particularly non-contact and cyber-enabled to those most vulnerable within the community.

**2. RECOMMENDATION(S)**

- 2.1 The Committee discuss, comment on and endorse the report.

**3. BACKGROUND**

- 3.1 Online and Cyber-enabled Fraud exists in various forms and this report details some of the impact on communities, particularly in respect of the elderly or vulnerable. It also outlines other types of cyber-enabled crime and highlights the ongoing work by Police Scotland and Local Authority partners across Aberdeen City to prevent this crime type and educate the community while targeting and disrupting the perpetrators.
- 3.2 There has been a steady and consistent increase in reported non-contact Fraud across all areas of Scotland, including Aberdeen City. A portion of this may be as a direct result of increased internet usage and online investment

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activity during the COVID19 pandemic. However, it should be noted that prior to the pandemic this had already been assessed as an escalating crime trend.

### Fraud Types - Facts and Figures

3.3 There are a number of different types of Cyber-enabled Fraud, including:

- **Investment Fraud (also cryptocurrency fraud)** - Victims generally search online for an investment opportunity and are then induced to 'invest' money in cloned firms. There has been a marked increase in cryptocurrency related frauds (almost exclusively Bitcoin).
- **Safe-Account Fraud** - Victims receive a telephone call from a fraudster purporting to be calling from the fraud team at his or her bank or from Police Scotland. The fraudster advises the victim's account has been compromised and induces them to transfer their funds into a 'safe account' provided by the fraudster. It is likely the account is held by a member at the bottom of the chain of an organised crime group, i.e. a money mule.
- **Romance Fraud (dating)** - The fraudster registers with a genuine online dating agency and befriends another member. Over the course of time the victim begins to trust the fraudster who presents themselves as charming, trustworthy and reliable. Often the fraudster pretends to be a member of the US Military posted in Afghanistan or Iraq who needs money to travel home because of a sick relative. There have been occasions where the victim has lost life savings as the fraudster makes more and more demands for money for various things.
- **Revenge Porn (commonly referred to as 'Sextortion')** – The perpetrator engages the victim in sexualized conversation on line and convinces them to send indecent or explicit images of themselves. They thereafter threaten to publish or share these images on the internet or to the family and/or colleagues of the victim unless money is transferred to account details provided. Due to the associated shame and fear these crimes are believed to be under-reported and have a significant impact on the mental wellbeing of those being extorted.

3.4 As described above the main beneficiaries of these Frauds are not based within the Aberdeen City area. There are very few based within Scotland or indeed the UK and it is challenging for investigators to determine the final recipient of funds appropriated. These Frauds are often orchestrated by complex Organised Crime Groups (OCG's) so the most effective method of targeting these crimes locally focuses primarily on prevention, disruption and education.

3.5 In respect of Safe-Account Frauds there are occasional instances where the perpetrator has travelled to the area and either posed as an official from a financial institution or a Police Officer in order to have cash handed to them by the victim. Police Scotland have recently been successful in identifying and disrupting one of these groups operating across Scotland which has impacted

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on the North East. Money Laundering Enquiries have also been successful in reporting the holders of 'mule' accounts.

### **Victims and Vulnerabilities**

- 3.6 The victim profile for most Frauds do not fall in to the category of vulnerable and/or exploited. The scams usually involve casting a 'wider net' so the potential for some of the victims to include vulnerable communities clearly exists. In respect of Investment Fraud victims are largely members of the community with disposable income who are familiar with the processes for significant financial investment but have been convinced that the source of their investment is genuine.
- 3.7 The elderly and vulnerable members of the community still tend to be targeted by more contact Fraud methods, such as Bogus workmen type scams. However, there are a small portion of the victims of online Fraud who are vulnerable by age but do not appear to have been specifically targeted for this reason.

### **Police Response**

- 3.8 Nationally, 'Operation Giantkind' has been established alongside partnerships in the Financial Conduct Authority (FCA) and Banking Organisations to combat the issue of Investment Fraud through increased security measures and awareness-raising among investors.
- 3.9 The 'Take 5 for Fraud' campaign which ran during the beginning of 2021 also sought to increase awareness and encourage reporting of all Fraud and attempts so that an accurate picture of the problem could be established.
- 3.10 Locally 'A' Division adopted a three-strand approach of Prevention, Governance and Investigation and a media strategy was formulated in conjunction with Corporate Communications. A high-profile, week-long series of newspaper articles in local media, highlighting a different Fraud type each day, with input from some of the victims, was particularly well received. A short life working group ensured that tasks were allocated via the Adult Protection Co-ordinator to share with partners and the Financial Harm Sub Group to raise awareness for the vulnerable and elderly in relation to the continuing variations and innovations of this crime type.
- 3.11 In respect of governance and investigation there is a strong focus on management and use of specialist skills to ensure all investigative opportunities are identified. Analytical review will continue to inform and direct appropriate resources moving forward.
- 3.12 However, it is clear that prevention and awareness raising remains the priority to reduce the number of Frauds. Media awareness and Partnership strategies are to continue in this regard.
- 3.13 In June 2021 a Divisional Cyber-enabled Crime Team will commence operation within North East Division. This team has been introduced solely to

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focus on this crime type and is the first of its kind in Scotland. It will encompass specifically trained and skilled officers with a remit to Review, Triage, Support and Investigate all elements of Cyber-enabled crime across the Division. This team will also operate alongside all available partners to establish firm prevention, education and disruption strategies.

### Partnership Response

- 3.14 Where a person is at risk of fraud and is unable to protect themselves due to a disability, mental or physical infirmity they would be assessed and supported under the Adult Support and Protection (Scotland) Act 2007. This Act provides measures to address abuse and harm amongst vulnerable adults within our communities.
- 3.15 The Act gave duties to the Council for the purpose of protecting adults at risk from harm. In particular, the Council has a duty to make inquiries where the Council believes intervention may be required to protect an adult at risk.
- 3.16 Other organisations also have duties under the 2007 Act - including duties of cooperation and of sharing relevant information.
- 3.17 The Aberdeen City Adult Protection Committee (APC) is a strategic partnership responsible for the development, publication, dissemination, implementation and evaluation of adult protection policy and practice across the public, private and third sector organisations.
- 3.18 Grampian Financial Harm Subgroup is a permanent subgroup and meets on a quarterly basis. Its purpose is to raise awareness of financial harm in its different forms; undertaking initiatives to reduce financial harm and raising awareness of support for people who are at risk of financial harm in both the public and professional spheres in the North East of Scotland. The group keeps abreast of any new local or national financial harm initiatives and will do any work required to assist with their inclusion in local practices.
- 3.19 In line with Aberdeen APC's Communications Strategy and Plan, which was agreed at the meeting on 13<sup>th</sup> April 2021, information and updates received from the Grampian Financial Harm Sub Group are circulated regularly, in a number of ways: 1. Specific email updates and 'posts' on Teams sites, for APC and Operational Sub Group members (for onward dissemination to individual agency staff) and lead agency staff; 2. Articles in bulletins – one specifically for lead agency staff (Council Officers) and one for wider staff from across the agencies; and 3. Briefing sessions for Council Officers and wider multi agency staff.
- 3.20 It is reported that financial harm is generally the second highest risk factor for adults in Aberdeen City and during the reporting period 2018-2020 financial harm accounting for 15.52% of total referrals. Many financial abuse situations involving adults at risk tends to include:

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- Financial exploitation by relatives, friends or carers.
- Misuse of property or welfare benefits e.g., taking up residence in a vulnerable adult's home, or abusing their hospitality or overstaying their welcome.
- Pressure to hand over or sign over property or money e.g., being granted power of attorney or awarded guardianship but abusing the position of trust.
- Stopping someone getting their money e.g., adult children who use a parent's pension or benefits and makes the parent ask them for money.
- Being scammed by rogue traders and bogus callers e.g., organised gangs targeting vulnerable people, where an adult at risk has fallen victim to high pressure sales techniques.
- Online scams, including a large amount of unsolicited mail and / or telephone calls.

3.21 Microsoft Dynamics 365 [D365] is to be implemented over the next year. It will replace the current CareFirst data system. D365 has a different data function making it easier to identify the perpetrator and the victim by improving the ability to physically link cases together and then tailoring response appropriately.

3.22 DWP are adopting a multi-agency approach to supporting adults at risk of financial harm by employing 4 senior safeguarding leaders across Scotland whose key roles include identification of their more vulnerable customers, improving services, working across all DWP product lines, building relationships with other organisations and local communities and taking part in the National Safeguarding Committee.

3.23 Trading Standards publish a weekly newsletter which again aims to raise awareness of local fraud types and trends. It provides guidance and contact number details for contact and support organisations. The most recent publication included information on a crypto-currency scam and information on how to combat this through awareness of the FCA. Trading Standards can also participate in Interagency Referral Discussions when a vulnerability is identified.

3.24 Trading standards have links to the FCA through Scamsmart campaigns, and are committed to awareness-raising and intervention through Friends Against Scams and other methods, such as Call Blocker mechanisms and Cyber-reliance awareness.

## **4. FINANCIAL IMPLICATIONS**

4.1 There are no direct financial implications arising from the recommendations of this report.

## **5. LEGAL IMPLICATIONS**

5.1 There are no direct legal implications arising from the recommendations of this report.

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**6. MANAGEMENT OF RISK**

	Risk	Low (L), Medium (M), High (H)	Mitigation
<b>Financial</b>	N/A		
<b>Legal</b>	N/A		
<b>Employee</b>	N/A		
<b>Customer</b>	N/A		
<b>Environment</b>	N/A		
<b>Technology</b>	N/A		
<b>Reputational</b>	N/A		

**7. OUTCOMES**

<b>Local Outcome Improvement Plan Themes</b>	
	<b>Impact of Report</b>
<b>Prosperous People</b>	Police Scotland are key partners within Community Planning Aberdeen and help contribute to the shared vision for 2026 that 'Aberdeen is a place where all people can prosper' and towards the achievement of the LOIP theme which aims to make people more resilient and protect them from harm; where every child, irrespective of their circumstances, is supported to grow, develop and reach their full potential; and where all people in Aberdeen are entitled to live within our community in a manner in which they feel safe and protected from harm, supported when necessary and fully included in the life of the City.
<b>Prosperous Place</b>	Police Scotland are key partners within Community Planning Aberdeen and help contribute to the shared vision for 2026 that 'Aberdeen is a place where all people can prosper' and towards the achievement of the LOIP theme which aims to support individuals and communities to live in healthy, sustainable ways; and the development of sustainable communities with strong and resilient communities.

<b>Design Principles of Target Operating Model</b>	
	<b>Impact of Report</b>
<b>Governance</b>	The Council has an oversight role of the North East Division of Police Scotland in terms of its performance and delivery of the Local Police Plan.

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<b>Partnerships and Alliances</b>	The Council and Police Scotland are Community Planning Aberdeen partners with a shared commitment to deliver the LOIP.
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**8. IMPACT ASSESSMENTS**

<b>Assessment</b>	<b>Outcome</b>
<b>Equality &amp; Human Rights Impact Assessment</b>	Not required.
<b>Data Protection Impact Assessment</b>	Not required.
<b>Duty of Due Regard/Fairer Scotland Duty</b>	Not applicable.

**9. BACKGROUND PAPERS**

N/A

**10. APPENDICES (if applicable)**

N/A

**11. REPORT AUTHOR CONTACT DETAILS**

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