

# Attorney General speech at the Cambridge International Symposium on Economic Crime

Good morning everyone.

I would like to start by thanking Professor Rider and his team for their work in coordinating such an impressive programme for the week, which is an especially remarkable achievement given the ongoing challenges of the pandemic. I have no doubt that it is already provoking some lively debate and discussion.

I would also like to extend particular thanks to the organisers for their patience and flexibility in accommodating my own diary – and my virtual attendance – in Parliament's first week back following the Summer Recess.

The depth and breadth of this year's programme and the calibre of its participants – coupled with the Symposium's almost 40 year history – is a testament to the esteem with which the event is held and the truly unique forum it provides for understanding and addressing the enduring and evolving threat we face from economic crime.

As Attorney General, I am one of the Law Officers for England and Wales, and part of my role includes superintending the Crown Prosecution Service (CPS) and Serious Fraud Office (SFO) – both of which are critical to the UK's operational response to economic crime – as well as working closely with my ministerial colleagues from across government in shaping our response to this pervasive threat.

And despite the unprecedented challenges of Covid-19 – which has itself impacted upon the extent and nature of economic crime – effectively addressing this threat continues to be one of the UK Government's top priorities.

The overarching theme of this year's Symposium is “who pays and who should pay?” for economic crime and the responses to the two parts of this question – first, who is actually harmed and pays for economic crime, and second, who should be held more accountable – have provided important guardrails in shaping the UK government's own response to the economic crime threat.

Echoing and building upon some of the comments that my colleague John Glen MP, Economic Secretary to the Treasury and City Minister, made earlier in the week, I would like to spend some time today talking about this response – as well as the response of the two prosecuting agencies that I superintend.

Firstly though, I would like to touch upon the question of who pays for economic crime and say a little more about the nature of the threat we are facing.

## **The economic crime threat**

At the risk of oversimplifying, the question of “who pays?” for economic crime can be answered quite succinctly: we all pay.

Its impacts can be seen at every level: individuals, communities, organisations and businesses, governments, our societies and economies-at-large.

Most often it is our most vulnerable citizens who are targeted for exploitation and are most profoundly harmed. While much economic crime is often clandestine in nature, which in turn makes detection and measurement challenging, it is also clear that that these impacts are considerable.

For example, fraud is the most common crime in the UK, making up 40% of all crime against individuals, and the telephone-operated Crime Survey for England and Wales estimates that there were 4.6 million fraud offences in the year ending March 2021 – a 24% increase compared with the year ending March 2019.

And the human and financial costs of these crimes cannot be understated.

Innocent people can be left with unaffordable personal losses which have lasting and devastating impacts on their mental health, the viability of businesses can be damaged as consumer and investor confidence is undermined, and there can be significant losses to the public purse.

Indeed, the Home Office estimates that the social and economic cost of fraud in England and Wales to individuals is £4.7 billion per year, and that the social and economic cost of organised fraud against businesses and the public sector in the UK is £5.9 billion.

Nor should we forget that economic crime like fraud can fuel serious and organised crime which – as well as putting drugs and firearms on our streets and putting some of our most vulnerable citizens at risk – is estimated to cost the UK £37 billion a year.

We also know that the economic crime threat is ever-changing and evolving, with criminals standing ready to exploit every available opportunity.

The Covid-19 pandemic has provided a case in point, where we have seen a shift in how people and businesses work, and clear evidence of economic criminals quickly adapting to these new circumstances.

For example, spurred by Covid-19, we have seen evidence of increased use of cryptoassets in money laundering across a range of serious crime types.

In regards to fraud, behavioural changes – such as increased online shopping and banking as a result of home working – has created new opportunities for criminals to commit fraud and to extend their victim base, and enabled fraud to be more easily be committed at scale.

And in relation to public sector fraud, we are increasingly alive to the risk

of fraudsters targeting the over 175 public sector schemes the UK announced to support our citizens and businesses through the pandemic.

While this provides a partial snapshot of the scale of the economic crime threat it is indicative of the pressing need for us all to do all we can to ensure there is no safe space for those wishing to commit these crimes.

## **The UK government response**

This brings me to the question of “who should pay?” for economic crime.

While it is ultimately economic criminals themselves who must be held to account for their actions, it is the whole system working together – the government, the regulatory bodies, corporates and financial institutions, and law enforcement and other operational partners – that should be responsible for combatting the threat.

And I am pleased to say that this whole-system approach is at the heart of the UK Government’s response to economic crime.

In July 2019, the UK Government and UK Finance published its [Economic Crime Plan 2019-22](#) which represented a true step change in our response.

Recognising the need for a multi-agency approach from across the public and private sectors, it set out the public and private sectors’ joint response to economic crime across seven priority areas and 52 concrete actions.

I am pleased to say that despite the unparalleled challenges of the past year, and supported by robust cross-sectoral governance arrangements, we are seeing this approach reap dividends.

In May of this year, the UK Government and UK Finance published a joint [Statement of Progress](#) against the Economic Crime Plan, covering the period from its launch in July 2019 to February 2021.

It shows that the public-private partnership is delivering real progress on several fronts – with 20 of the 52 original actions in the Plan being delivered and clear plans in place to deliver the remaining actions.

To give a flavour of some of our achievements, we have improved our understanding of the threat, including through the recent publication of the UK’s third National Risk Assessment of Money Laundering and Terrorist Financing.

We have shared information better shared across the system, including through the National Economic Crime Centre’s public-private “Fusion Cell” – driving decisive action to identify, disrupt, and arrest fraudsters and money launderers.

We have addressed vulnerabilities in the system, updating our anti-money laundering requirements for firms.

Our efforts to improve corporate transparency have progressed, with proposals

on reforming Companies House published in September last year.

Our reforms to the Suspicious Activity Reports (SARs) regime similarly continue and we have commenced IT transformation and dedicated staffing uplifts.

And we have also invested in law enforcement, with an extra £63m for the Home Office to drive our efforts to fight economic crime and crack down on fraud.

And building on these achievements, the Statement of Progress sets out seven actions – focused on joint public and private delivery over the remainder of the Plan – that further steps up our level of ambition. These are:

- designing and deliver a comprehensive Fraud Action Plan
- bolstering public private operational action to tackle known vulnerabilities
- improving the whole system response to economic crime
- continuing to deliver SARs reform
- finalising our efforts to develop Sustainable Resourcing Model to support economic crime reform, including continuing our work to develop an Economic Crime Levy
- developing legislative proposals to tackle fraud, money laundering, seize more criminal assets, and to strengthen corporate transparency; and \*using our G7 Presidency this year to strengthen the international response to illicit finance and anti-corruption

I would also add that reflecting our strong focus on fraud, the UK Government's recent [Beating Crime Plan](#), published in July of this year, reiterates our commitment to taking a more systematic approach to addressing this prevalent threat.

In short then, we are capitalising on the benefits of the whole system approach – and while we still have much to do to ensure that the UK remains a transparent, safe, and open place for global business, we are making significant progress.

## **The critical work of the prosecutors**

Finally, I would like to say a little more about the important work of the two prosecuting agencies that I superintend – the CPS and the SFO – and their role in our efforts to tackle economic crime.

On the one hand, I would emphasise that at both a strategic and operational level, both agencies have – and continue to be – active contributors to the Government's overarching approach to economic crime that I have discussed today.

For example, as part of our efforts to prioritise fraud through the design and delivery of a comprehensive Fraud Action Plan, we are already drawing on the specialist knowledge and expertise of the SFO to deliver improvements in our approach intelligence, enforcement, and victim safeguarding.

On the other hand, the CPS and the SFO play a significant role in holding

those most directly responsible for economic crime – the individuals and companies who engage in wrongdoing – to account for their actions.

And despite the wide-ranging impacts of Covid-19, I am pleased to say that both agencies continue to deliver real results.

In 2020-21 for example, the SFO convicted four individuals, opened eight new criminal investigations, and charged 20 individuals and corporates.

It also continued to show the effectiveness of Deferred Prosecution Agreements (DPAs) in tackling corporate wrongdoing, securing two DPAs in 2020-21 that resulted in over £47m in fines, penalties, and costs.

Alongside these DPAs, the SFO's Proceeds of Crime Division secured over £7.4m in new financial orders made against criminals convicted in SFO cases, and received payments relating to outstanding orders of more than £6.9m.

Importantly, the SFO continued to return a significant amount of the money it recovers from criminals to victims, recovering more than £220,000 last year, and I am delighted to say such successes continue in 2021-22.

In April of this year, following a guilty plea, the SFO secured a conviction against GPT Special Project Management Ltd for corruption, which included over £30m in confiscations, fines, and costs.

Furthermore, in July 2021, it entered into a DPA with Amec Foster Wheeler Limited. Under the terms of the DPA, the company will pay a financial penalty and costs amounting to £103m in the UK, which forms part of a US\$177m global settlement – and which also includes a compensation to the people of Nigeria of more than £210,000. This is a significant achievement not only for the SFO, but also for the UK and for international law enforcement cooperation.

The CPS is similarly working hard to fight economic crime, with its Specialist Fraud Division ensuring it devotes the right skills and resources to prosecuting complex and serious fraud and economic crime.

In 2019-20, the CPS prosecuted over 10,000 fraud and forgery offences – which includes money laundering, bribery, and corruption – with a conviction rate of 86.4%.

Meanwhile, the CPS's Proceeds of Crime Division continued to pursue cash and assets that defendants have gained through illegal activity, taking more than £100m from criminals' ill-gotten gains in 2019-20.

And this work continues. For example, just last month the CPS secured a £1.3m Conviction Order against an ex-Cambridge academic who fraudulently claimed £2.5m in Government grants.

And reflecting the CPS's commitment to tackling the economic crime threat, it published its first ever [economic crime strategy](#) in March of this year to help ensure it keeps pace with the constantly changing nature of crime.

The strategy provides a high-level vision of where the CPS want to be in

relation to economic crime by 2025, allowing it the flexibility to respond and adapt to new and emerging threats as well matching its level of ambition with the rest of the system – including government and law enforcement.

And importantly, the Strategy also includes a clear commitment to depriving criminals of their illicit gains and compensating victims where possible.

While just a brief summary, I hope this gives you all a sense of the essential role of the CPS and SFO in our fight against economic crime.

To conclude, I will briefly return to the guiding theme of this year's Symposium – “who pays and who should pay?” for economic crime.

These are of course fraught, complex questions with much more nuanced answers than I have been able to present today.

However, I think we can all agree that: first, we all pay the costs of economic crime and that these costs are most keenly felt by the most vulnerable in our societies; and second, that while we must hold criminal to account for their actions, we all bear a responsibility – working together in lockstep rather than silos – to address the continuing threat.