



CEO's Quarterly Report

April – June 2015

News

The GLA and the new 'labour exploitation enforcement agency'

On 21st May, in his speech on immigration policy the Prime Minister said:

".....But it's not only our skills gaps that act as a pull factor for migrants; it's the businesses who exploit cheap labour from overseas.

"That's why, in the last Parliament, we quadrupled the penalties for those not paying the Minimum Wage, and why – for the first time – we're naming and shaming those businesses.

"But while one employer or gangmaster can still exploit a worker in our country, luring them here with the promise of a better life, but delivering the exact opposite – low or no wages; horrendous housing; horrific working conditions - our task is not complete.

"So we will make a crucial change: creating a new enforcement agency that cracks down on the worst cases of exploitation. Responsibilities for this are currently split between 4 different departments. They will be brought into one body – so businesses can't bring in cheap labour that undercuts the wages of local people."

He also said the government: *".....will make it illegal for employment agencies to recruit solely from abroad without advertising those jobs in Britain and in English."*

The Home Office supplemented this announcement:

"The Government has announced an Immigration Bill to further the reforms started by the Immigration Act 2014. The bill will also create a new enforcement agency building on the work of GLA, HMRC, HSE and EAS to tackle the worst cases of exploitation. A consultation on the new agency is expected later in 2015."

The GLA already delivers much of what is expected of this new agency having, this year alone, revoked 23 licences, taken steps to recover £3.5m on behalf of workers and identified £5.1m of criminal assets. We have also taken positive action to protect 3,064 workers and assisted or taken steps to remove 779 workers from their exploitative situation.

Furthermore we have secured 22 convictions in courts across the UK relating to labour exploitation and other related crimes including fraud, conspiracy and deception. The GLA also already works closely with enforcement colleagues overseas, particularly in foreign workers' home countries, to ensure that exploitation including charging work finding fees, false promises of decent work and a good life are quickly identified and prevented at source.

The four agencies referred to by the Prime Minister are the GLA, HMRC National Minimum Wage team, Employment Agency Standards and the HSE working time directive. There are conversations about merger but equally about closer working and collaboration without formal merger. Having seized the initiative through early meetings I strongly believe the GLA has a front seat and we have significant influence in shaping the future agenda for the following reasons:

- We are the only agency that covers the entire UK and all jurisdictions
- Only organisation tasked to look specifically at worker exploitation, which requires holistic examination of worker treatment and labour provider compliance with all laws governing the working

The GLA only:-

- Has full investigative powers and powers of arrest
- Currently 'cracks down on the worst cases of exploitation'
- Has fully-accredited investigators including for proceeds of crime
- Has prosecuted and convicted 'the worst cases of exploitation' - hence is the only agency with experience and expertise to do so
- Is fully functional and has a regulation/legislation-compliant intelligence function
- Has a structured tasking and coordination process underpinned by a control strategy, threat and risk assessment that contributes to the national threat assessment
- Is embedded within the government agency intelligence network (GAIN)
- Has a structured and accredited training academy supplying learning to the industry to prevent exploitation (modern slavery/labour exploitation training and awareness to 2,500 supply chain and public sector staff from 314 organisations pledging to raise the risks of labour exploitation to an estimated 367,154 workers)
- Has published actions within the Modern Slavery Strategy
- Has given evidence to the all-party parliamentary groups on Modern Slavery, Scottish and Northern Ireland Anti-trafficking legislation
- Is actively involved with the industry 'Transparency in the Supply Chain' agenda
- Provides support to law enforcement for investigations of labour exploitation, modern slavery, human trafficking
- Is a designated 'first responder' for potential victims of forced labour and human trafficking
- Has established networks overseas to police any new legislation making it... '*Illegal for employment agencies to recruit solely from abroad without advertising those jobs in Britain and in English*'.
- Has embedded officers within other agencies

The GLA position will be - continue to deliver business as usual and seek to influence the ongoing discussions. It is our ambition that any merger or collaboration should take place with the GLA being the driving force and leading those other agencies for the reasons outlined above.

The GLA can and will deliver upon an 'enforcement agency' to an exceptional standard. For this to succeed, well-trained and disciplined staff that deliver ethical and sustainable results whilst protecting workers and victims are required. This is something that we do now and will continue to do in the future.

Events

Association of Labour Providers Roadshows

The GLA Chair and Chief Executive are committed to stakeholder engagement and each year travel extensively across the UK to seek views and listen to concerns. Annually they are invited to speak with licence holders at the roadshows of the Association of Labour Providers (ALP) and spent time in the South West, West Midlands, North West, East Midlands, London and Scotland. Feedback on the GLA was very positive and particularly pleasing was that a recent ALP survey found that more than 93% of GLA licence holders believed licensing was necessary. This accords with the GLA's own surveys of its licence holders and stakeholders.

Described as 'an essential update on food industry labour supply', this year's events were organised to offer expert advice and guidance that would help labour agencies.

GLA unites fight against exploitation in EU in Vienna

The GLA was instrumental in organising the inaugural 'International collaboration to reduce labour exploitation' conference in Vienna. The aim of the event was to *establish a network of labour market enforcement agencies across Europe* and add value to local, national and international cooperation initiatives to reduce labour exploitation.

The GLA was pivotal in securing funding for the event from the Foreign and Commercial Office and also in encouraging representatives from the EU's member states to attend the conference at the British Ambassador's Residence.

The conference remit was to:

- identify trends and common patterns of labour exploitation in destination, transit and source countries and develop strategies to disrupt such activity by concerted actions;
- ensure that the programme is complementary to other cross-EU initiatives;
- Identify opportunities for joint operational activity in both destination and source countries, including foster police-labour inspectorate cooperation at the national and transnational level.

The objectives of the conference complement work of Europol, and proposals for the Dutch Presidency of the EU in 2016. It is now hoped to continue to enhance cross-border cooperation to prevent worker exploitation in both source and destination countries and further events are being planned.

GLA Training Academy - update

In response to demand from industry for the GLA to develop accredited training to better identify and mitigate against labour exploitation in the supply chain, various modules have been devised for the GLA Academy in partnership with the University of Derby and the Ethical Trading Initiative. A meeting was held recently with the majority of the largest UK retailers to share more information about the concept and aims of the new project. The

overall objective is to prevent labour exploitation in the work place and by doing so collectively prevent such exploitation from becoming modern slavery, forced labour and other abhorrent crimes against vulnerable people. It is hoped that delivery of these modules will commence in the autumn.

Tackling trafficking in Yorkshire

The GLA was recently invited to address fellow members of the West York's Anti-trafficking Network to report on topical local and national issues staff are experiencing. The authority is a member of the network, which was established in 2014 and covers the five districts in West Yorkshire – Leeds, Bradford, Wakefield, Kirklees and Calderdale. The group was established by the Hope for Justice Charity to improve the coordination of the fight against human trafficking in the region. It is made up of representatives from the local authorities as well as the Police, NHS, Department for Work and Pensions, Salvation Army, Home Office, Police and Crime Commissioner, local NGOs and the GLA.

Working to prevent exploitation in supermarket supply chain

The GLA was invited in to help advise on the exploitation of workers in Spain who supply fresh food to the UK. Around 150 representatives - from UK supermarkets, plus representatives from producers and growers - met in Murcia to hear about the GLA experience of addressing labour exploitation before visiting some of the labour users to gain a better oversight of the issues faced within the Spanish temporary labour market.

Creating better Boston links

The GLA Chief Executive joined Anti-Slavery Commissioner Kevin Hyland on a trip to Lincolnshire in May to discuss how to address labour related issues in and around Boston in Lincolnshire. Along with the MP for Boston and Skegness, Matt Warman, as well as police and the Citizens' Advice Bureau, they spoke with members of the local Lithuanian community about what could be done to protect workers from exploitation. As a result, a number of initiatives have since been created and developed to assist residents in the area where the GLA has 23 ongoing investigations.

Operations

Op Launch

Operation Launch was a joint GLA and Cambridgeshire led response to a National Crime Agency operation investigating people trafficking and enforced labour of Eastern European nationals within the UK. It involved a number of other forces across the country.

In total, about 300 police and partner agency officers and staff were involved in the activity in Peterborough, which saw raids and arrests at 20 properties across the city with six men and seven women arrested. Officers engaged with a total of 46 potential victims, 20 of whom, including six children, were removed from the properties and taken to a reception centre, facilitated by Peterborough City Council. Enquires are ongoing

Suspected unlicensed gangmaster arrested in Northern Ireland

A man suspected of acting as an unlicensed gangmaster in Northern Ireland was arrested in Lurgan by the GLA, assisted by officers from the Police Service of Northern Ireland. The 39-year-old Romanian national was apprehended as part of the authority's ongoing investigations into unlicensed labour provision on fruit farms in County Armagh.

He is suspected of supplying workers to pick apples and other fruit without a licence at various locations in the area. The man was bailed pending reports being submitted to the Public Prosecution Service.

Trivium 2015

The GLA was one of a number of partner agencies that took part in the annual national crackdown on overseas criminals committing crime in the UK - Operation Trivium. Almost 100 foreign crime suspects were arrested in the West Midlands in June in the initiative that saw officers from Romania and Lithuania, plus Dutch Police and Europol, join their UK counterparts in the purge on Foreign National Offenders (FNOs).

West Midlands Police hosted the continental officers at its event control suite in Edgbaston, which acted as a national Command Centre for forces at home and abroad requesting intelligence on suspects. Such was the success of the campaign that organisers are in discussions with Europol about expanding the scope of future events and bringing officers from more European countries into the West Midlands.

The GLA's intelligence team were deployed to check on unlicensed gangmaster activity and exploitative practice. More than 700 enquires were carried out by GLA staff with nearly 8,500 vehicles were stopped and 616 seized. Almost 800 arrests took place across the UK – including people wanted on European Arrest Warrants for serious crimes in their home country.

Licensing and Legal

Birmingham agency paid below the national minimum wage

The licence of Birmingham-based agency Futurestep Resources Ltd has been revoked after an inspection found the company had failed three critical GLA licence standards. The licence holder, Daljit Singh Rai, was adjudged to have failed the 'fit and proper person' test after being evasive during an interview. Mr Singh also failed to prove he was paying his workers at a rate above the National Minimum Wage (NMW).

Mr Singh lacked the required competencies for running a compliant business. He was unable to quote his charge rates for supplying workers and lacked knowledge about paternity pay when questioned. The Futuresteps Resourcing managing director could also only provide documentation for 39 workers at the inspection even though he admitted he had supplied 86 on that day. It was found that workers who were being paid at NMW rates were deducted wages for travel, taking their pay beneath the legal threshold. No appeal was submitted against the decision and the revocation has now come into effect.

CV Staff Services

A Lincolnshire couple, who built up a property empire and gangmaster business using a stolen ID, have both been handed prison sentences. Sheffield Crown Court heard that when officers from the GLA were trying to locate Lithuanian Stasys Skarbalius, he tried to 'vanish' under his fake identity – as Dutch national Charles Luske – then 're-emerge' as himself. Skarbalius was handed a two-and-a-half year sentence. His wife, Virginija Skarbaliene, who was complicit throughout, received three years.

They each received concurrent sentences of 18 months for securing and attempting to secure a series of mortgages under the name Luske, while Skarbaliene was handed a separate concurrent nine month term for perverting the course of justice.

The couple were convicted under a previously unused section of the Gangmasters (Licensing) Act (s12(2)(b)) relating to possession of a document known to be obtained improperly with the intention of leading people to believe they were properly licensed.

The GLA offence was described as the ‘most serious’ indictment of those before the court by Judge Simon Lawler QC, who also said: “The sentence is not just a reflection of the public view that serious dishonesty resulting in financial gain should be discouraged but it also sends a clear and unequivocal message that dishonesty in this important area will not be tolerated. The GLA relies substantially on honesty in applications. A licence is not a right, it has to be earned and those granted them become responsible for vulnerable people who are often ripe for exploitation.”

Both defendants were also disqualified from being company directors for a period of seven years.

Media Coverage

New labour exploitation task force

The PM’s announcement that four agencies would be merged to create a new labour exploitation task force received widespread national coverage, including BBC News.

Arrests in Peterborough

The arrests for Operation Launch in in Cambridgeshire were covered extensively by the local media in the East of England.

Gangmasters blighting Britain

The Daily Mail ran a large expose on issues with migrant Eastern European gangmasters exploiting workers in the UK. Reference was made to a 2012 GLA case, DJ Houghton and Edikus Mancevicius, the latter still being wanted for questioning in connection with alleged trafficking and exploitation offences.

Covino Farms

In an article on labour exploitation run on ABC Online (Australia), it was stated that there are growing calls for Australia to implement an organisation similar to the GLA and meetings have already taken place with the Australian Federal Police office in London.

Tackling Modern Slavery in Boston

The Boston Standard and Lincolnshire Echo carried a feature and video interviews online with a visit to the town by Anti-Slavery Commissioner Kevin Hyland, GLA Chief Executive Paul Broadbent and local MP Matt Warman

CV Staff bosses jailed

Widespread coverage of the result from Sheffield Crown Court in which Stasys Skarbalius and Virginija Skarbaliene both received prison sentences for illegal gangmaster activity.

Operational Statistics

Risk

Based upon a statistical formula used within the Home Office for other matters it is estimated that at this time workers in the GLA sector are being financially exploited to the scale of £17m per annum. In addition, organised crime groups are potentially profiting by £32m and abusing 1,280 victims of forced labour. There are an estimated 300 unlicensed and active gangmasters and a total of 792,000 workers (temporary & directly employed) in the GLA regulated sector. Current industry turnover is £170 billion.

Response

Quarter one 2015/16 – 1 April to 30 June 2016

- Application Inspections: 41
- Compliance Inspections: 33
- Licence Revocations: 5
- Workers identified as exploited: 3,228
- Ongoing Criminal Investigations: 102
- Offenders pending trial 23
- Indictments pending trial 94
- POCA benefit figure £1.175m

Result

For the two financial years 2013 to 2015 the GLA has:

- Prevented the continued exploitation of workers 5,432
- Proceeds of Crime Identified £6.8m
- Victims of labour exploitation assisted 900
- Potential victims of trafficking rescued 138
- OCG identified/disrupted 42
- Trained 2,500 staff employing 337,000 workers
- Funds prevented from entering the informal economy £30m

Strategic Intelligence Assessment

The GLA is in the midst of its operational planning cycle to ensure that threat risk and harm is identified against provenanced and accurate intelligence, which then informs the deployment of resources to those areas both geographically and thematically where the highest risk to harm exists. This is conducted through the production of a twice yearly strategic intelligence assessment which in turn forms the basis of an organisational 'seriousness and impact' control strategy internally but also contributes towards the annual UK threat assessment compiled by the National Crime Agency.

Human Resources

There are no adverse staffing issues to report and current certified and uncertified sickness reports remain under the public and private sector national averages.

Financial Matters

Annual Report and Accounts

The Annual Report and Accounts for the GLA for 2014/15 will be laid in parliament on 14 July. This has been recognised as a high quality document, which illustrates how public money was spent in 2014/15 highlights the organisation's key achievements. It will be available on the GLA website once it has been laid in parliament.

Medium Term Financial Forecast.

The GLA Board and Home Office will receive a briefing on this issue at its July meeting and whilst able to predict future expenditure based on a 'steady state', the advent of a single labour market enforcement will change any forecast significantly. The GLA welcomes this opportunity.

Service Level Arrangements Home Office - GLA

The GLA has been working with the Home Office to refresh the Service Level Agreement on enforcement, which encapsulates half of GLA funding. The implementation of the Home Office performance dashboard has been of benefit in being able to identify at a strategic Home Office level the risks and opportunities being addressed by the GLA. Models to accurately reflect activity based costing for enforcement, licensing and compliance is being drafted to assist in this process.

Parliamentary Questions

2014-15	PQ Totals	Subjects				
Quarter		Finance	Operational	Powers	Staffing	Board
Apr - Jun	1	1	0	0	0	0
Total (financial year to date)	1	1	0	0	0	0

Other News

GLA attends European policing conference

The GLA was recently invited to Stockholm to take part in an international conference on labour exploitation in Europe. The event was organised by the European Police College and brought together 35 attendees from 27 different European countries. Presentations were given to delegates by the International Organisation for Migration, Europol and the European Union Agency for Fundamental Rights. GLA Senior Investigating Officer Tony Byrne represented the authority and spoke about current labour exploitation issues in the UK. Delegates were later split into groups of six to collate learning, tools and future options from the event.

Human Trafficking and Exploitation Bill – Scotland

The justice committee in Scotland has now produced a first report on the progress of this bill, which continues to make its way through the judicial system. The GLA had input into drawing up the new legislation when Chief Executive Paul Broadbent attended one of the evidence sessions held by the joint committee in March this year. The Bill proposes that Scotland should fall into line with the sentences set out in the new Modern Slavery Act with the maximum available sentence proposed for human trafficking of life imprisonment. The report can be viewed in full by clicking [here](#).