



CEO's Quarterly Report

October – December 2013

News

Landmark sentence imposed for gangmaster conviction

The GLA was delighted with the recent crown court decision to put an illegal gangmaster behind bars for seven years. It was the first time a custodial sentence had been imposed for a crime under the Gangmasters Licensing Act and it is hoped it will set the precedent for future cases.

The offender was Lithuanian national Audrius Morkunas, who ran an organised crime operation in Norfolk. He controlled scores of workers brought over from his homeland, using tactics including debt bondage, psychological and physical intimidation and violence. As well as receiving a seven year prison term for acting as a gangmaster without a licence, Morkunas was given concurrent sentences for using a false licence, assault causing actual bodily harm and possession of an offensive weapon. The last two charges arose out of an attack on one of his workers with an iron bar. Proceeds of Crime procedures are ongoing.

Prior to GLA intervention, the 40-year-old had forced employees to pay to live in the grossly sub-standard accommodation he provided, charged them job finding and transport fees, seized their passports and driving licences and took total control of their bank accounts. He employed methods that made it difficult for workers to leave, even restricting the hours he allowed them to work so they could never clear their debts. In sentencing, Judge Nicholas Coleman said Morkunas's workers were trapped and described them as 'slaves in an alien environment'.

Home Secretary welcomes new GLA protocol

A major step forward was taken in the ongoing battle to remove worker exploitation from the food supply chain in October when the GLA introduced its new Supplier-Retailer Protocol. Home Secretary Theresa May MP witnessed the document being signed by the GLA, Fresh Produce Consortium, Food and Drink Federation and the British Retail Consortium. What it means for the industry is there is now a formal and enhanced commitment for major retailers and suppliers to share information and intelligence about suspicions and wrongdoings with confidence.

In welcoming the protocol, Mrs May said: “This initiative between the Gangmasters Licensing Authority and key business partners is a vital step in tackling modern slavery in supply chains. Labour exploitation is much more common than any of us would like to believe. This is because it is a hidden crime - a hidden crime that involves trading in people’s lives, buying and selling human beings as commodities, and keeping them in servitude, with little or no chance to escape. But today's event shows that businesses are becoming more aware of this issue and seizing the opportunity to address it. I am especially grateful to you because I do not underestimate the challenge, in this climate, of making this a priority for your businesses.”

Draft Anti-Slavery Bill – a welcome addition

The GLA welcomed the draft Anti-Slavery Bill unveiled by the Home Secretary last month. Any legislation that can assist in protecting exploited workers is to be wholly supported. The document makes reference to the GLA in a section on Supply Chains. It states: “We will also give further consideration to how the experience and knowledge of the Gangmasters Licensing Authority can be maximised to protect workers in other sectors they do not cover.”

It is not clear whether this means there will ultimately be an expansion of the GLA remit or investigatory powers - that is a matter for the politicians to decide. What is known, however, is that exploitation does exist in other UK industry sectors that are not regulated to GLA standards at the moment and that needs to be addressed. The GLA was involved in drafting the bill with Paul Broadbent and GLA Chair Margaret McKinlay both contributing to the evidence review sessions.

The Chief Executive also gave evidence to the All Party Parliamentary Group on Human Trafficking and Modern Slavery led by Fiona Mactaggart MP and Baroness Butler-Sloss which explored the contribution the GLA made to addressing labour exploitation, combating serious and organised crime and also creating a level playing field for the overwhelming majority of legitimate business.

Headlines

Next month will be the 10th anniversary of the Morecambe Bay cockle picking disaster that sparked the formation of the GLA. A total of 23 exploited workers died in the tragic events. They were sent out to work entirely ill-equipped to deal with the treacherous conditions they faced.

The GLA continues its work to protect vulnerable people today and so far has granted more than 2,500 licences since it began operating in 2006. More than 200 of these have been revoked for breaching licensing standards and upwards of 170 applications have been refused. There have been 248 appeals lodged against GLA decisions. Almost 150 of these were withdrawn with the judge deciding in favour of the GLA in the remaining 100 cases – a 93% success rate.

There have been 67 prosecutions under the Gangmasters Licensing Act – 43 for acting as a gangmaster without a licence and 23 for using an unlicensed operator – only one failed to secure a conviction.

Since 2010, the GLA has directly or assisted in taking action to protect 5,029 workers and £4 million worth of cash loss recovered for victims. It has also identified proceeds of crime of approximately £1.2 million.

UK food industry unites to tackle modern day slavery

The GLA recently joined forces with the Association of Labour Providers and other partners for a new initiative designed to tackle worker exploitation in the food supply chain. Stronger Together will look to raise awareness and so address issues including human trafficking and forced labour. It was introduced after it was revealed that 29 per cent of labour exploitation cases reported to the UK Human Trafficking Centre occurred within the food processing and/or agricultural sectors. Five UK retailers - Co-operative Food, Marks & Spencer, Sainsbury's, Tesco and Waitrose – have sponsored the scheme.

Licence numbers 'felled'

Regular readers of this newsletter may have noticed that the number of companies licensed by the GLA has experienced a dramatic drop recently. This is due to the relaxation of regulations with regard to forestry. The vast majority of companies supplying workers into this sector no longer require a licence to operate. Northern Ireland remains the exception to this rule but will fall into line in the near future when similar relaxed regulations come into force.

Events

Stakeholder seminar – a great success

The GLA held its inaugural symposium recently where we aimed to inform and increase awareness of current issues among strategic stakeholders from the industry and across the GLA sector. Demand for places was extremely high from those wanting to hear experts talk about the problems facing vulnerable and exploited workers, the changing trend in licence application, refusal and revocation and also how some unlicensed gangmasters are engaging in a much wider range of criminality.

Speakers included victims of trafficking for labour exploitation, leading Queens Counsel barristers on issues of taxation issues and trafficked victims, HMRC, and an Assistant Chief Constable. Chief Executive Paul Broadbent and GLA Chair Margaret McKinlay also spoke about the changing profile of labour provision. The conference was massively oversubscribed, very well received and raised the profile of the GLA and its role in tackling labour exploitation, in its many and varied forms, in the supply chain. The feedback received was overwhelmingly positive and many requests have been made for this to become an annual event.

Operations

Endeavour – a determined effort to clamp down on issues surrounding migrant workers in Cambridgeshire sparked this day of action – the largest joint operation the GLA and Cambridgeshire Police had ever been involved in. Around 300 officers in total from contributing agencies were involved in this initiative that involved visiting more than 20 addresses simultaneously in the early hours of 15 October. It has so

far resulted in 14 arrests, four GLA licences being revoked and 81 workers being removed from positions of exploitation and found new jobs and accommodation. The inquiry continues to run with four of the arrests mentioned above occurring in December. Two men also remain in custody on charges including acting as an unlicensed gangmaster, blackmail and fraud by false representation. The fact that all displaced workers were immediately found alternative jobs and re employment was rightly hailed as a watershed moment for all future operations to aspire to but also has assisted other victims to come forward.

Aback - Three men were arrested in Norfolk in November on suspicion of trafficking, labour exploitation and money laundering after a joint operation between Suffolk and Norfolk Police and the GLA. Officers executed warrants at four addresses and arrested a 27-year-old man, and two 32-year-old men, all from the Thetford area. They were bailed after questioning at Bury St Edmunds Police Investigation Centre.

Dorking – A Gillingham man was arrested following an investigation into the alleged exploitation of Slovakian nationals living in the Medway Towns. The arrest was the result of a joint initiative involving Kent Police, the GLA, the UK Human Trafficking Centre (UKHTC), HMRC, Red Cross and the Department for Work and Pensions. It followed allegations of workers being forced to live in squalid conditions and threatened with violence if they did not comply with their supervisor's instructions.

Performance

2012 Calendar Year results

Comparing figures for the calendar year of 2013, the GLA conducted 112 Application Inspections, 101 Compliance Inspections and 71 enforcement enquiries. These are comparable to those from 2012.

The number of intelligence reports generated in the same period was in excess of 5,200 and showed an increase of nearly 25 per cent on the previous year.

Third quarter - Oct 1 to Dec 31

Operational

- Application Inspections: 28
- Compliance Inspections: 20
- Licence Revocations: 6
- Workers identified as exploited: 460
- Ongoing Criminal Investigations: 60

Licence Totals - (taken at 31 December 2013)

Full: 975
With ALCs: 13

Parliamentary Questions

2013-14	PQ Totals	Subjects				
Quarter		Finance	Operational	Powers	Staffing	Board
Apr - Jun	10	2	1	0	7	0
Jul - Sep	4	1	1	0	2	0
Oct - Dec	8	2	4	2	0	0
Total (financial year to date)	22	5	6	2	9	0

Financial

In line with most of the public sector, the GLA has severe budget pressures for 2014/15 and 15/16 which it is trying to resolve with Defra. These discussions continue at the time of this report.

Human Resources

Health and Wellbeing Policy

A new development to ensure GLA employees are in the right shape to do their jobs is set to be introduced. Primarily focussed on front line workers to begin with, the Health and Wellbeing Policy will later be rolled out across the entire workforce. Staff will undergo an initial health screening and if any issues are identified that may affect their fitness to perform their role, the GLA will provide support to assist in addressing them.

Carval

An integrated HR software system is being introduced to increase efficiency in the GLA at the same time as producing cost savings. The package allows line managers to take more hands-on responsibility in the day-to-day HR activities of their direct reports, such as appraisals and annual leave, as well as linking directly to the Sage payroll system. All the data has now been added to the system and it is anticipated it will be in operation in the very near future.

Pensions – auto enrolment

In line with changes in the law relating to workplace pensions, the GLA will be introducing a policy of 'auto-enrolment'. The change in legislation means it is now a legal requirement to enrol certain members of staff into a pension scheme and make contributions towards it. This must be completed by 1 July 2014.

Licensing and Legal News

Cornish gangmaster fails in appeal against refusal

A Cornish labour provider who was refused a GLA licence after building up more than £300,000 of unpaid tax debts with a previous business has had his appeal dismissed by a judge. The GLA refused a licence application from Cornwall Recruitment Ltd (formerly known as West Country Staffing), of Drym, near Camborne. It was determined by the appeal judge that the GLA was correct in its

assertion that the unpaid tax debts accrued by the managing director West Country Staffing, were sufficient for him to fail the authority's 'fit and proper person test'. The decision to fail the company on a further critical licensing standard, requiring applicants to pay the correct amounts to HMRC, was also backed by the court.

Sandwell gangmaster's record penalty point haul

A West Midlands labour agency had its licence revoked at appeal after returning the worst inspection result ever recorded by the GLA. The case prompted calls from the GLA to amend the appeals process so substantial legal costs can be recovered from those who 'play the system' solely to secure additional profit. An employment judge upheld the decision to revoke the licence of Lloyds Management Ltd after describing director Prem Singh Johal as having 'little grasp of what is required' to run his business. The company, based in Popes Lane, Oldbury, supplied workers to pick spring onions on farms in Worcestershire and to harvest leeks in Lincolnshire.

Gangmaster showed complete disregard for working regulations

A West Midlands gangmaster had his licence taken away after he flouted employment legislation by sending six agricultural workers to a mushroom farm for 20 consecutive days. Under the Working Time Regulations, Shenky Ltd, of Wolverhampton should have given the workers at least one day off in every seven. When the business was inspected by GLA officers, the man in charge, Shorish Hamza, was found to be 'incompetent and incapable' of running a compliant recruitment business. The GLA also uncovered a string of other problems and revoked the licence in April. Shenky appealed the decision, allowing the business to continue trading but the judge found in favour of the GLA.

Midlands Gangmaster employed illegal workers

A Derby-based labour agency lost its licence after it emerged that the workers it supplied to pick crops at farms in Lincolnshire were illegal immigrants using forged passports. The licence of United Recruitment Services, of Glencroft Drive, Stenson Fields, was revoked in February last year after the business was found to be in breach of 11 different licensing standards. Managing Director Chander Shekhar Guru appealed the decision, allowing his business to continue trading until the case was heard and concluded.

Employment Judge Peter Britton upheld the GLA's decision and said: "Of the 79 workers on the books at the time, only 15 were legally allowed to be working. It shows United Recruitment Services was in the business of employing illegal immigrants wholesale."

Unlicensed Scottish company hit with fine

An Inverness forestry contracting company was fined £400 for supplying workers without holding a GLA licence. G M Forestry, of Stuart Avenue, Ardersier, pled guilty to the offence at Inverness Sheriff Court. The company had previously been licensed when operating as a sole trader but changed legal entity to a limited company and continued to supply workers but did not seek to secure a licence under the company name.

Fife gangmaster's licence revoked

A Scottish gangmaster has lost his licence after breaching a string of GLA licensing standards. Thomas Docherty of Kirkcaldy failed the 'fit and proper person' test, wrongly declared his turnover to HMRC for five years, withheld holiday pay and could not prove he was paying his workers the correct amounts – all are critical requirements. The sole trader's licence was revoked and he chose not to appeal the decision.

Other News

Intellishare and Crimson

Two significant technological improvements have been rolled out recently to increase the GLA's operational efficiency. Intellishare is a web-based portal that provides secure, remote access into the authority's intelligence database. It allows officers to access and submit information while working in the field eliminating the need to contact an intelligence team member to relay information to them. The information accessed can be filtered easily to ensure officers quickly get what they require. Intellishare is now in use throughout the GLA.

The second advance in technology is the Crimson case management software application – another development designed to streamline the operational side of the organisation. It informs the tasking process and can provide an instant insight and progress report on every ongoing investigation. The package has been in use by the intelligence team since November. Training for other staff is to take place early in the New Year with the system expected to be fully operational in March.

The GLA has very recently been informed that, after appeal, it may retain its own web site and not be subsumed into GOV.UK. This is a vital decision in allowing the GLA to continue to be available through a number of media platforms and adds to the growing number of facebook and twitter followers.