



Gangmasters
Licensing Authority

Case Study – Operation Expect

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The origins of an enforcement enquiry

- 4 criminal offences under our legislation
- Information received – labour provider, labour user, worker – Confidential Hotline
- Compliance activity – Application or Compliance Inspection
- Assessed and value added by intelligence team
- Tasking & Coordination
- Risks to worker of exploitation – priority set
- Accepted for allocation



The enquiry

- Crimson allocation
- Investigation plan – strategy (points to prove)
- Includes any liaison requirements – law enforcement (UK, Europol, NCA – international)
- Labour Inspectorate - Romania
- Actions
- Investigation log
- Documents
- Disclosure



Evidence Review

- Statements
- Interviews under caution
- Engage CPS if required
- Decision – warning or prosecution



Operation Expect

An investigation into the activity of unlicensed gangmasters which revealed offences of:

- Mortgage Fraud
- Perverting the course of justice



Virginija and Stasys



Virginija Skarbaliene



Stasys Skarablius



History

- **1995** - Stasys was the subject of an asset freezing order and an International Arrest Warrant in Lithuania for fraud offence
- **1999** – Virginija entered UK (26/06)
- **1999** – 3 days later Stasys enters UK using the name **Ilya Deiber** and claims asylum (29/06)
- **1999** – Virginija claims asylum using the name **Dalia Seldin** (30/06)
- **2000** – Wisbech area



History

- Whilst using name **Ilya Deiber**, Stasys detained by UKBA in Wisbech
- Stated his name was **Simkus Jouzas** and was subsequently deported to Lithuania
- March 2001- a Dutch passport was issued in the name of **Charles Rene Luske**
- This passport came into the possession of Stasys and his photograph was added. He used the passport to obtain a UK Driving Licence



History

- **January 2003** – Virginija was convicted in UK for drink/drive offences in the assumed name of Dilia Seldin
- **2004** – a £67,000 mortgage was applied for and granted in the name of Luske
- **May 2004** – Lithuania acceded to European Union
- Stasys still had an International Arrest Warrant outstanding



Gangmasters

- **2005** - CV Staff Services Ltd was incorporated and registered at Companies House as a Temporary Employment Agency - Bank accounts were opened in Virginija's real name and Luske
- **October 2006** - GLA Licence issued - Luske passport used as ID
- GLA Licence renewed each year - GLA informed that the turnover was in the region of £1,000,000 pa to 2010
- **2011** - Statute of limitations in Lithuania - IAW cancelled



What went wrong (for them)

- During a Compliance Inspection the **Luske** passport was again used as identification – it was out of date!
- Enquiries reveal that it had in fact been stolen
- Liaison with East Midlands RART took place and a joint investigation commenced



Enforcement Action – 25/04/2013



Resource Requirements

- Arrests in Humberside, Lincolnshire and London
- 9 search warrants executed at premises
- 7 Production Orders served on accountants and solicitors
- 40 police officers, 26 GLA officers, 30 NCA officers,
- 2 UKBA officers, 1 HMRC officer
- 3 interpreters



Evidence

- Suspect interviews
- Banking staff
- Labour users
- Workers
- Identification parades
- Facial recognition
- Accountants
- Solicitors
- Searches
- GLA officers
- Police officers



Indictments

- Fraud contrary to Section 1 Fraud Act 2006
- Possession of improperly obtained GLA Licence
- Acting as a Gangmaster without a licence
- Obtaining a money transfer by deception
- Attempting to obtain a money transfer by deception
- Conspiracy to commit fraud by false representation
- Intending to pervert the course of justice



Court Result - Stasys Skarbalius

- Pleaded guilty to 18 counts - GLA licence offences, mortgage frauds / deceptions
- 26/06/15 – Sentenced to two-and-a-half years imprisonment - disqualified from being a company director for 7 years



Court Result – Virginija Skarbaliene

- Pleaded not guilty to 8 counts concerning GLA licence offences – **found guilty** at trial
- Pleaded guilty to perverting the course of justice
- Pleaded guilty to 2 counts of mortgage frauds/deception

- **26/06/15 – Sentenced to 3 years imprisonment, and disqualified from being a company director for 7 years**



Financial Investigation

- **Stasys** - total benefit - **£3,316,316.18**
- Available assets - £184,018.62

- **Virginija** - total benefit - **£4,447,821.87**
- Available assets - £309,033.63

