



# CEO's Quarterly Report

## April to June 2016

### News

#### **Immigration Act 2016 – passed. What this means for the GLA**

The progression of the Immigration Bill through parliament was covered in the last quarterly report. At that stage – the end of the financial year - the bill (as it was at that point) was close to receiving Royal Assent. After final amendments were discussed, assent was granted on 12 May, confirming the reform of the GLA proposed within the legislation.

The measures in the Act are:

- changing the name to the Gangmasters and Labour Abuse Authority (GLAA)
- providing the new GLAA with additional powers
- detailing specialist officers to investigate cases of severe exploitation
- adjusting the remit to cover exploitation across the entire UK labour market

The GLAA is hoping to commence operations under its new name and terms in the autumn.

Other aspects of the legislation include the appointment of a Director of Labour Market Enforcement. This is the very first provision of the new Act; to find someone who will provide strategic direction for those organisations 'policing' and regulating the UK labour market, namely; the GLAA, the National Minimum Wage Unit and the Employment Agency Standards Inspectorate.

The director's strategy will cover any non-compliance in the UK – focussing on labour market offences as well as breaches of licensing conditions, court orders and regulations plus any non-payment of financial penalties.

They will also be responsible for overseeing the introduction of a new Information Hub to provide a strategic assessment of the nature and of labour exploitation and key risks. The director's post has been advertised and applications are now being invited.

With regards to the new GLAA's powers and remit, the reformed authority will be given new powers, among others, under the Modern Slavery Act 2015 and Police and Criminal Evidence Act 1984 (PACE). These will allow the organisation to investigate more serious abuse allegations. In terms of the areas of business that can be covered, the remit will expand to include, in principle, the entire labour market but realistically the GLAA will focus on high risk sectors.

The other substantive change for the GLA will be the introduction of a new post of Labour Abuse Prevention Officer (LAPO). This is essentially a specialist investigator role created within the GLAA. Those appointed will look into allegations of labour market abuse offences. Following an internal selection process six candidates have been identified to undertake further training with a view to becoming LAPOs.

### **Cocklers back in Morecambe Bay**

Commercial cockle pickers returned to Morecambe Bay in April for the first time in more than eight years. The North West Inshore Fisheries and Conservation Authority (IFCA) opened the beds during daylight hours only and monitored collecting alongside officers from the GLA.

Only permit-holding collectors were allowed on the sands, which claimed 23 victims in 2004 leading to the introduction of the Gangmasters (Licensing) Act and the formation of the GLA.

All collections had to be carried out with a traditional hand rake called a craam, so the cockles were picked one by one from the sand without causing damage to younger stock, allowing the beds to replenish.

Other agencies present were: South Lakeland District Council; Cumbria Police; Maritime and Coastguard Agency; Food Standards Agency; Marine Management Organisation and Natural England.

## **Events**

### **Pop Up Seminars**

The last two of nine highly successful regional seminars were concluded in April when 'pop-up events' were hosted in Belfast and Taunton. A broad-ranging attendance was drawn from across the supply chain, law enforcement and NGOs. An evaluation of the events overall revealed more than 300 people attending, with feedback as to their value being overwhelmingly positive. More Pop-up Seminars are being planned for 2017.

### **Addressing modern slavery in Ireland**

Labour exploitation and trafficking and how to prevent them were the topics of discussion in a cross-border event in Armagh recently. The GLA attended and chief executive Paul Broadbent delivered a presentation on the indicators of trafficking and how enforcement agencies can step in to do their bit to help tackle this global problem. Delegates at the

conference also heard from the UK's Independent Anti-Slavery Commissioner, Kevin Hyland, police representatives from home and overseas and were also given a victim's perspective by Anele Jakiel, a trafficking survivor.

### **Addressing trafficking through demand**

The GLA is one of a number of European labour inspectorates to have joined forces to take part in an academic research project into how market demand for products and services can drive human trafficking. The DemandAT scheme is a three-year project funded by the European Community and incorporates four in-depth studies on Austria, the Czech Republic, the Netherlands and the UK, as well as a less-detailed study of Germany. The researchers have compared political structure and formal methods for addressing trafficking, as well as relevant law and labour market regulations. The next stage of the process will involve partner workshops to share ideas and best practice, the first of these was attended by the GLA in Vienna in June.

### **United Nations**

The CEO was invited to represent the UK in the United States at a briefing to UN member nations held to further the debate on the 'Sustainable Development Goals'. The event in New York highlighted the work carried out to address modern slavery worldwide. New and innovative ideas were shared and will be progressed over the coming months and years.

## **Operations**

### **Op Hornsman**

The GLA was one of more than 30 organisations who joined forces for a UK-wide week of action to target criminals behind trafficking and exploitation. Codenamed Operation Hornsman, the activity resulted in at least 25 arrests and the identification of 103 potential victims. It was co-ordinated by the National Crime Agency's UK Human Trafficking Centre, and involved agencies including police forces, Home Office Immigration Enforcement, HMRC and officers from the GLA.

Results included:

- Two arrested in Devon for modern slavery offences, including a nail bar manager;
- Five Albanian nationals arrested for immigration offences in Gloucestershire;
- A car wash manager arrested for money laundering offences in Cheshire;
- 14 people arrested for immigration and other offences in Wiltshire;
- A woman arrested for modern slavery and money laundering offences in Bath.

## Licensing and Legal

### Op Dorking

Two brothers who exploited fellow Slovak nationals living in Kent have each been sentenced to six years in prison. Marian Dzuga (pictured below left), aged 38, of Gillingham and Jozef Dzuga (right), aged 37, of Chatham, were both found guilty of trafficking within the UK with intent to exploit, following a month-long trial at Maidstone Crown Court.



An investigation began after one of the victims reported to police that he was the victim of human trafficking and labour exploitation.

Officers from the Kent and Essex Serious Crime Directorate began an investigation and discovered the victim had been homeless in Slovakia in 2005, when the brothers approached him and persuaded him to move to the UK, promising there would be accommodation and work waiting for him.

In reality, the Dzugas took control of his bank account and although he was living at an address in Chatham, he was made to work all over the country. He said he worked 40-60 hours per week earning around £240 but he would actually receive between £5 and £40.

Supported by the GLA, the UK Human Trafficking Centre (UKHTC), HMRC, Red Cross and the Department for Work and Pensions, warrants were carried out in November 2013 at the brothers' home addresses where a number of victims were found to be living in squalid conditions and threatened with violence if they did not comply with their supervisors' instructions. The victims were working in a number of different industries including the food processing industry.

The GLA supported witnesses in the case persuading them to remain in the UK by finding them work with reputable licensed agencies. All the victims, four of whom gave evidence during the trial, revealed they had been brought into the country on the promise of work and accommodation. The brothers bought coach tickets, helped them into the country and set up bank accounts while all workers' documents were taken away. The Dzugas would keep the majority of their wages to fund their gambling habits.

Marian and Jozef Dzuga were both convicted of one count; trafficking within the UK with intent to exploit. Jozef Dzuga was found not guilty of three other charges, whilst Marian Dzuga was not guilty of two other charges and the jury was hung on one count of trafficking.

### Op Endeavour

Four people have been jailed for a combined total of more than 23 years for offences relating to the exploitation of migrant workers in the Fenland area of Cambridgeshire.

The sentences imposed in May were a result of Operation Endeavour, a joint police and GLA investigation into large-scale exploitation of workers.

Juris Valujevs, 37, Lauma Vankova, 27, Oksana Valujeva, 35, and Ivars Mezals, 30, were all found guilty of conspiracy to acquire criminal property following a trial at Huntingdon Crown Court.

Vankova (far right), Valujeva (left) and Valujevs were also found guilty of assisting an immigration offence, namely arranging sham marriages.



Valujevs, of King's Lynn, was jailed for three years for the criminal property offence and five-and-a-half years for the immigration offence - with sentences to run consecutively.

Vankova and Valujeva, both from King's Lynn, were each jailed for two years and four years respectively on the same charges, again to run consecutively. Mezals, of Reading, received three years.

Vankova, Valujeva and Valujevs had been tried for the sham marriage offences as part of a previous trial at Blackfriars Crown Court in December 2014 but the jury failed to reach a verdict. At that same trial, Latvians Valujevs and Mezals were both found guilty of acting as unlicensed gangmasters and received custodial sentences.



Detectives working on Endeavour discovered all four defendants were using the bank accounts of victims to commit offences. The court heard victims would be brought to the UK, housed by the defendants who drove them into debt through withholding work and overcharging for transport and rent.

They would be taken to banks to open accounts in their own names but using the contact details of either Vankova, Valujeva or Mezals (on the left of the two pictured below) so their accounts could be controlled.

The jury also found that Vankova, Valujeva and Valujevs (above right) had either propositioned or forced a number of women to go through with sham marriages in order to repay debt.

One woman was offered £2,000 but refused to go through with the marriage, while another was told she would receive £1,500 for marrying a man in India. She did go through with the marriage in order to pay a £1,000 debt but said she was never paid and Valujevs used the money to buy a new car.

Operation Endeavour was launched as a result of a joint agency campaign called Operation Pheasant, which began in early 2013 with the aim of tackling homes of multiple occupancy and poor living standards affecting economic migrants in the Wisbech area.

## Media Coverage

**Legal action against DJ Houghton** – Local BBC (online) and printed press in Kent covered the story that 10 additional workers were joining in the legal action for compensation from revoked GLA licence-holder DJ Houghton Catching Services Ltd.

**Call to make recruiters responsible for worker accommodation** – The Guardian ran this article after it was discovered a ‘dangerous, disused showroom’ in North Wales was used for accommodation by, and on the recommended list, of GLA licence-holder Staffline.

**Dzuga brothers handed six years** – local south east media covered the court result relating to the Dzuga brothers, who each got six years for forcing workers to work in Medway for as little as £5 per week (see above).

**Op Endeavour – further prison terms for offenders** – the prison sentences meted out to the four defendants in this case (see above) gained coverage in the national, local and recruitment and fresh produce trade press.

**GLA handed extended powers and remit** – the changes proposed in the new Immigration Act 2016 were covered by local BBC TV news in the East Midlands.

**Sports Direct in front of Commons Committee** – the GLA was mentioned on a number of occasions as Sports Direct’s labour providers – The Best Connection (licensed) and Transline (refused GLA licence) were called on to give evidence to the commons.

## Operational Statistics

### Risk

The enduring risks remain to those workers in low-paid, low-skilled jobs where there are short-term, high demands for cheap labour. Labour Inspectorates in Belgium and the Netherlands have seen rises in reports of labour exploitation in the warehousing and distribution sectors. This is also being monitored across the UK in order to negate any similar trends.

### Response

#### Quarter One totals from 1 April to 30 June 2016

- Applications inspections (tasked) - 29
- Compliance inspections (tasked) - 16
- Licences issued - 26
- Licence refused - 3
- Licence revocation decisions made:
  - With immediate effect - 1

- Without immediate effect - 5
- Money recovered for workers by direct, informal approaches from GLA staff:
  - Number of cases - 11
  - Amount recovered - £29,961

## Result

### Quarter One totals from 1 April to 30 June 2016

- Workers subjected to exploitation/abuse:
  - Physical - 0
  - Mental - 0
  - Financial - 463
  - transport - 0
  - accommodation - 0
- Workers protected by refusal/revocation - 1,094
- Workers employed by businesses inspected:
  - Inside sector - 2,371
  - Outside sector - 14,585

### Position as at 30 June 2016:

- Number of GLA Licences - 994
- New OCGs identified - 0
- Ongoing criminal investigations - 51
- Offenders pending trial - 20
- Indictments pending trial - 85

## Financial Matters

Budgets remain challenging across the entire public sector. However, the GLA is grateful for an uplift in its budget for 2016-17, which will contribute towards addressing the increased powers the Immigration Act 2016 will bring. We will continue to seek and find innovative ways to bridge the inevitable financial constraints.

## Human Resources

### ‘Baby boom’ time at the GLA

The past quarter has seen significant change in the GLA’s personnel, not least down to three members of staff starting maternity leave – with a fourth due to depart to have their first child in the next couple of months. Two temporary replacements have been recruited and are already in place.

### Intelligence team boosted

In preparation for the augmented powers and remit handed to the GLA through the new Immigration Act, the authority is growing its intelligence section and additional staff are

now being recruited. The Act calls for the establishment of an ‘information hub’ to be the central point of contact for intelligence relating to labour abuse in the UK. Consequently, the GLA has added five new posts to the team, including an Intelligence Team Leader, a Strategic and Performance Analyst and Intelligence Assistant plus two Regional Field Intelligence Officers. All new starters should be in post by the first week in August.

### Office alterations

In order to accommodate the new employees, options are being investigated as to how the layout of the GLA’s main office space can be re-configured to add more work stations and thus avoid a costly relocation to new premises.

## Parliamentary Questions

2015-16	PQ Totals	Subjects				
Quarter		Finance	Operational	Powers	Staffing	Board
Apr – Jun	1	0	0	0	1	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>