



# CEO's Quarterly Report

November 2016

## News

### Changes to our way of working

Following public consultation and parliamentary evidence sessions from a wide range of stakeholders, the Gangmasters Licensing Authority will evolve to become the Gangmasters and Labour Abuse Authority (GLAA). This change is expected in the spring of 2017.

The GLAA will retain its licensing and regulatory function of temporary labour in the food and farming sectors but have a much broader role in terms of addressing labour exploitation across the entire labour market. This includes the use of improvement and enforcement notices to ensure vulnerable workers are prevented from being abused for their labour and powers to investigate modern slavery (forced or compulsory labour).

This investigatory function will seek to protect all workers, regardless of employment status and industry. The Authority will have the ability to investigate labour market offences wherever, however and whenever they occur. The GLAA will necessarily focus its attentions on low paid, low skilled workers employed in sectors subject to seasonal or other peaks of supply and demand who are known to be particularly vulnerable.

The industries most vulnerable to their labour being exploited include but are not limited to:

- Construction
- Care industry
- Hotels, hospitality and catering
- Warehousing and storage
- Haulage and logistics
- Cleaning
- Retail (food and non-food)

Key messages we will communicate include:

- GLAA will commence its new role from spring 2017
- The original GLA regulated sector will remain intact with its highly effective model of intelligence - licensing – compliance - enforcement.
- GLAA will have powers to investigate labour exploitation across the labour market regardless of sector and status of worker. Getting to a consistent state of co regulation with compliant business is fundamental to the continued success of GLAA and sector partnership.

- We will tackle the bad either directly, with or through other agencies.
- GLAA should be the 'go to' agency for ALL labour exploitation related information and intelligence and we will continue to help compliant businesses in every way.
- The unfair and unlawful exploitation of workers is not only an offence against these vulnerable workers, it also undermines legitimate businesses and destabilises communities.
- On your behalf we will relentlessly pursue criminality we find within the labour market and protect against the erosion of workers' rights.

GLAA will be trained, configured with officers accredited by the Home Secretary to investigate modern slavery and have greater powers to search and seize etc. A set of codes of practice and some regulations are needed to underpin the legislation. The codes provide the framework for the legislation.

The date for appointment of a Director of Labour Market Enforcement will be in the autumn.

Stakeholder engagement is a top priority for the GLAA and with the Board we will continue to seek new and innovative ways to engage and communicate with all workers, their representatives and the industries. This will naturally include formal and agile consultative and communications methods (e.g. GLAA Board, Advisory Groups, seminars, social media).

For example a number of events will be widely advertised and fully inclusive for all partners including but not limited to:

Unions, Labour users, Labour providers, trade associations, supply chains in vulnerable sectors, NGO, Law Enforcement, Government departments, Faith sectors, Top 5 companies in each of the identified 'at-risk' sectors, and any other interested party.

The Chair, Board and Chief Executive are hugely grateful for the continued support of all partners in our collective effort to protect workers' rights and prevent them from being exploited for their labour.

### **GLA takes a seat at PM's 'top table'**

The GLAA has welcomed an invitation from Prime Minister Theresa May to join her new top level task force to tackle modern slavery in both the UK and overseas. A year on from the introduction of the Modern Slavery Act, the Government is now pioneering a more co-ordinated policy and operational response with the new group which will be chaired by the Prime Minister.

The new taskforce aims to do more to bring perpetrators to justice and to support victims both domestically and overseas with the focus on four specific objectives:

1. Bring efforts and resources targeted at modern slavery in line with resources to tackle other forms of organised crime – including by increase investigatory resource, capabilities and intelligence provision;

2. Increase and improve investigations into the perpetrators of modern slavery, through further education of law enforcement officers on the nature of modern slavery offences; the provision of additional tools to support investigations such as greater data and intelligence; and more effective use of joint investigation teams;
3. Improve successful prosecution levels with further education of prosecuting authorities on modern slavery, and improvements to the quality of supporting evidence.
4. Improve international cooperation to tackle modern slavery.

Membership of the taskforce has crucially been designed to help drive forward the operational response with an unusually high number of intelligence and policing experts joining Ministers around the table. Alongside the PM and GLAA Chief Executive Paul Broadbent will be representatives from the heads of all three intelligence agencies – Mi5, Mi6 and GCHQ – along with the Metropolitan Police Commissioner, the head of Europol, the Home Secretary and the Secretary General of Interpol.

### **GLA Academy opens its doors for second year**

Following a sell-out first term, the GLA Academy – run in partnership with the University of Derby - is now accepting bookings from delegates for a second tranche of courses. Training provided leads to a Certificate in Professional Development: Investigating Modern Slavery, using a programme designed specifically to give individuals the knowledge, skills and confidence to identify labour exploitation.

It is based on training received by GLAA Inspectors and uses real life examples of inspections. It also utilises the expertise of the University of Derby's International Policing and Justice Institute who are recognised as leaders in the area of investigative interviewing and carries formal accreditation from the university of 40 CPD Points.

The impact of the training has resulted in an increase in reporting concerns of potential exploitation to GLAA and increased self-scrutiny of supply chains by the industry.

The programme got under way in mid-October and there will be at least two courses a month up to and including May 2017.

The period of study is designed to take 8-10 weeks. This allows for time to undertake the online and pre course material which must be completed prior to attending the two day classroom workshop.

All session dates are listed below and places cost £600 per delegate. These take place at the university campus in Derby. Training is conducted in small groups of no more than eight delegates.

The module is ideal for: Compliance Managers, Contract Managers, Technical and Field Managers, Labour Co-ordinators, Recruitment Managers, Ethical Auditors and any HR, training or other managers with responsibility for delivering training in relation to the recruitment and placement of workers.

A full list of dates is available at <http://bit.ly/glaacademy>.

## Events

### Pop Up Seminars

Dates and venues have now been finalised for the next series of GLA Pop-up Seminars, which will get under way in the New Year. Chief Executive Paul Broadbent will be attending all 11 of the regional events answering questions about the current work of the GLAA and what will change when all new powers are in place. The events will not only be aimed at organisations and businesses operating in the existing GLA sector but also those in identified vulnerable fields. Places are free but limited and so should be reserved in advance.

Date	Time	Region	Venue
<b>Jan</b>			
10	13:00 – 15:00	London	Defra, Nobel House, Smith Square, London, SW1P 3JR
17	13:00 – 15:00	East Midlands	Apex Court, City Link, Nottingham, NG2 4LA
25	11:00 – 13:00	East of England	G's Fresh, Barway Road, Ely, Cambridgeshire, CB7 5TZ
31	11:00 – 13:00	West Midlands	MSO Workspace, Brierley Hill, Dudley, DY5 1XN
<b>Feb</b>			
2	11:00 – 13:00	Scotland	Strathearn House, Broxden Business Park, Lamberkine Drive, Perth, PH1 1RX
8	11:00 – 13:00	Yorkshire/ North East	Lakeside Conference Centre, Sand Hutton, York, YO41 1LZ
16	11:00 – 13:00	North West/ North Wales	Defra, Hornbeam House, Electra Way, Crewe, CW1 6XB
28	11:00 – 13:00	South East	Hall Place Enterprise Centre, Harbledown, Canterbury, CT2 9AG
<b>Mar</b>			
13	13:00 – 15:00	South Wales	Office of National Statistics, Cardiff Road, Newport, NP10 8XG
14	11:00 – 13:00	South West	Environment Agency, Manley House, Kestrel Way, Exeter, EX2 7LQ
29	10:30 – 12:30	Northern Ireland	Castle Buildings, Stormont, Belfast, BT4 3SL

## Operations

### **Op Identify - Two arrested in Leicester on suspicion of trafficking**

A 23-year-old woman and a 41-year-old man were arrested at separate addresses in Leicester as part of an investigation into allegations of human trafficking and unlicensed labour provision in the city. The operation was carried out by the GLA assisted by officers from Leicestershire Police, the National Crime Agency and the Government Agency Intelligence Network (GAIN) in the East Midlands.

Four other Leicester addresses were visited by officers in the early hours. From the six properties attended in all, 24 workers (16 males and eight females) of Eastern European origin were removed and taken to a reception centre where they assisted with enquiries. The two suspects were released on police bail.

## Licensing and Legal

### **Irish trafficking trio sentenced**

Two men and a woman who admitted involvement in a human trafficking operation in Northern Ireland have been sentenced at Craigavon Crown Court. Ioan Lacatus, of Portadown pleaded guilty to five counts of trafficking persons into the UK for exploitation, conspiring to traffick persons within the UK for exploitation, acting as an unlicensed gangmaster and converting criminal property. He was sentenced to 30 months and had a suspended sentence of 15 months for a previous offence imposed to run consecutively, making a total of three years nine months.

His wife, Christina Nicoleta Covaci admitted converting criminal property and entering into an arrangement to acquire, retain or control criminal property. She was sentenced to 12 months, suspended for two years. Covaci's brother, 25-year-old factory worker Samuil Covaci, admitted conspiring to traffic persons within the UK for exploitation. He received a conditional discharge for two years.

In August 2014 four Romanian workers approached police claiming to be victims of exploitation. Police enquiries led to the discovery of another eight victims of human trafficking for exploitation. Within a few days the three defendants were arrested and interviewed with assistance from the GLAA.

Those rescued, three women and nine men, claimed a man calling himself 'the Ministro' (the Master) encouraged them to come to Northern Ireland for well paid jobs and a new life. This man was identified as Romanian national Ioan Lacatus.

Victims claimed they worked long hours. They were transported to and from work by Lacatus and Samuil Covaci and often waited three hours for lifts home. They were exhausted. Living conditions were filthy and overcrowded. One woman was told to eat stones when food ran out. Victims claimed they never received any wages and had to beg Lacatus for pocket money. The paperwork they had unwittingly filled in gave permission for their wages to be paid directly into the bank accounts of Lacatus and his wife Christina Covaci who used their wages to support themselves and their family.

A wider police investigation in the Portadown/Lurgan area led to the rescue of 10 further victims and the arrests of seven further suspects for various offences in relation to the exploitation of workers and gang master offences. A variety of criminal justice outcomes are still under consideration in relation to these investigations.

The judge made forfeiture orders for two cars belonging to the defendants and £620 in cash. A decision on compensation for the victims is yet to be made.

### **Suspended sentences for shellfish gangmasters**

An uncle and nephew each received suspended prison sentences for illegal shellfish gathering following a joint investigation by the GLA and North Wales Police. Both men admitted charges under the Gangmasters (Licensing) Act 2-004 at Caernarfon Crown Court in relation to organising a group of workers to gather shellfish from the River Dee estuary. They profited handsomely from the arrangement with Christopher Mossman, aged 48, of Victoria Way, Bagillt, often seen driving around the area in a Bentley, which has since been seized. He admitted using workers to gather shellfish, which is an offence under the 2004 Act and was sentenced to 18 months imprisonment suspended for two years. He was also ordered to perform 240 hours of unpaid community work.

His nephew, Kane Mossman, aged 20, of Maes Gwyn, Flint, pleaded guilty to aiding and abetting the gangmaster's offence by allowing a bank account in his name to be used for processing payments received from shellfish sales. He was sentenced to nine months imprisonment suspended for two years and ordered to perform 150 hours unpaid community work.

Christopher Mossman organised a gang of around 10 workers who regularly gathered cockles and mussels from the Dee. These were then sold on to various customers across the UK, while some of them were exported to France.

A separate hearing relating to the recovery of around £77,000 in assets under the Proceeds of Crime Act - including Mossman's Bentley, which was seized by the investigation team – are expected to take place in around six weeks.

### **Illegal gangmasters convicted in Cambridgeshire**

Two brothers from Wisbech have been sentenced for two years after admitting gangmaster offences following a joint investigation in the Wisbech area. Andrius and Stanislovas Dambrauskas both admitted acting as a gangmaster without a licence. Both men were sentenced to two years imprisonment, suspended for two years and given 275 hours of unpaid work.

Cambridge Crown Court heard the Lithuanian brothers recruited a number of people who had come to Wisbech from Lithuania between 2012 and 2014 and supplied them for work with companies in the regulated sector directly or via licensed gangmasters. Police carried out raids at both men's homes in May 2014, and they were arrested. Four victims were subsequently traced by officers who had been provided with housing as part of the conditions of their work.

On at least one occasion, a victim said they wanted to leave but was told they could not. Another victim said they had found alternative employment but the defendants failed to assist with transport and continued to make deductions of wages. All the houses the victims had lived in appeared to be controlled by the defendants, who decided who lived there and for how long. Victims were recruited from Vilnius, Lithuania, where they paid money for transport to England and what they thought would be a good house and a good, well-paid job. They did not get what they had paid for.

DC Vanessa Dodds, of Cambridgeshire Constabulary, said: "This was a large-scale investigation which has spanned over two years. We remain committed to tackling unlicensed gangmasters and protecting vulnerable people."

### **Telford gangmaster revoked for ‘chopping’ workers’ wages**

A Shropshire gangmaster was stripped of his GLA licence after inspectors discovered his company was systematically ‘skimming’ workers’ pay, resulting in employees receiving less than the National Minimum Wage. TRS Personnel Ltd, of Telford, is run by Shrewsbury couple Jeff and Vicki Lawrence. The business held a GLA Licence to permit the supply of temporary workers to a number of food factories in the county.

However, the GLA investigated the company’s operations after receiving complaints that it was ‘chopping’ workers’ hours, resulting in underpayment of wages and a significant financial advantage for the business. Following the inspection, the company’s licence to provide temporary workers to the fresh produce sector was revoked with immediate effect.

The discrepancy over wages was revealed when the numbers of hours the factories being billed for was checked against and found to be greater than the number of hours for which employees were paid. The company was found to have breached four of the GLA’s Licensing Standards – three of which were critical.

Payroll records produced appear to have been altered to disguise the underpayment of workers. From a typical sample period of four weeks in August 2015, 26 of 102 workers placed were found to have been paid for fewer hours than they had worked. When asked for a schedule of holiday pay records for workers being supplied to one factory, the company produced a document with 56 names on it; but the payroll company had records for 268 workers being supplied for the same week.

Further analysis of TRS records for three of the sample weeks showed that TRS Personnel had avoided paying £941 in one week in workers’ salaries, £659 in the next and £700 in the third. In the same weeks – respectively – 48, 44 and 29 workers were found to have been paid less than the National Minimum Wage.

## **Media Coverage**

**TRS revoked for chopping workers’ pay (see above)** – coverage in recruitment trade press, Food Manufacture and Farmers Weekly.

**What the new GLA remit will mean for retail** – feature in Retail Week

**MPs urge GLA to investigate Sports Direct** – the recommendation in the Government select committee response was covered widely on a national scale – print, broadcast and online

**Shellfish gangmasters get suspended sentences** – the Mossman case was covered in the recruitment trade press, some food trade titles and the local newspaper print and online versions.

**Two arrested in human trafficking and labour investigation (see above)** – picked up by the Loughborough Echo (print and online)

**Brothers to stand trial on gangmaster charges (see above)** – was featured in the Peterborough Telegraph. There was further coverage in the national press (Guardian) and local Cambs press when they were sentenced a week later (Fenland Citizen, Wisbech Standard, Cambs Times) as well as a piece in Farmers Weekly.

**Irish Trafficking convictions (see above)** – the court case was covered in the Belfast Citizen and Irish Times.

## Operational Statistics

### Year to date - Quarter One and Two totals from 1 April to 30 September 2016

• Applications inspections (tasked) -	60
• Compliance inspections (tasked) -	36
• Licences issued -	51
• Licence refused -	12
• Licence revocation decisions made:	
▪ With immediate effect -	2
▪ Without immediate effect -	10
• Money recovered for workers by direct, informal approaches from GLA staff:	
▪ Number of cases -	22
▪ Amount recovered -	£45,667

## Result

### Quarter One and Two totals from 1 April to 30 September 2016

• Workers subjected to exploitation/abuse:	
▪ Physical -	0
▪ Mental -	0
▪ Financial -	464
▪ Transport -	0
▪ Accommodation -	0
• Workers protected by refusal/revocation -	2,170
• Workers employed by businesses inspected:	
▪ Inside sector -	4,583
▪ Outside sector -	16,093

### Position as at 30 September 2016:

• Number of GLA Licences -	985
• New OCGs identified in 2016-17 -	3
• Total ongoing investigations -	126
• Ongoing investigations (criminal) -	49
• Offenders pending trial -	13
• Indictments pending trial -	24

## Financial Matters

### Budget overview

GLA finances have marginal in year variations but nothing of significance. Additional expenditure is being incurred due to GLA to GLAA transition but this was forecast and expected. Since the last CEO report a revised delegation letter has been received providing an indication of funding up to and including 2019-20.

The capital budget is currently forecasting an under-spend but a large proportion of that is accounted for by slippage on the new online licensing system outside the control of GLA.

## Human Resources

### Staff development

A number of officers have been trained in national minimum wage, modern slavery, search and seizure and employment breaches in readiness for the commencement of the GLAA. Some staff will also receive training on digital forensic and financial investigation. We have invested heavily in our intelligence function to enable an accurate assessment of the nature and scale of labour exploitation to be created prior to the GLAA go live date.

### Staffing - New Starters

Seven staff have joined us in intelligence, licensing and human resources teams plus Ian Waterfield as the new Head of Operations UK. Ian brings three decades of investigative experience and was previously Head of Crime and a Temporary Assistant Chief Constable with Nottinghamshire Police. As the national police lead for witness protection Ian understands the vulnerability of victims and workers balancing their needs with the pursuit of the truth with which to present to the court.

## Parliamentary Questions

2016-17	PQ Totals	Subjects				
Quarter		Finance	Operational	Powers	Staffing	Board
Apr - Jun	1	0	0	0	0	0
Jul - Sep	1	1	0	0	0	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Freedom of Information Requests

In the first two quarters of 2016-17 the GLA received a total of seven requests under the Freedom of Information Act. All received the appropriate response within the prescribed time limit of 20 working days from receipt of the request.

2016-17	FOI Totals	Subjects		
Quarter		Capital budget	Staffing & salaries	Licensing
Apr - Jun	2	0	1	1
Jul - Sep	5	1	2	2
<b>Total</b>	<b>7</b>	<b>1</b>	<b>3</b>	<b>3</b>

### Subjects covered

- GLA policy on holiday pay
- Mean and median earnings for male and female employees
- List of pay grades, settlements, progression payments, bonuses plus follow-up questions
- Details surround the revocation of TRS Personnel Ltd plus follow-up questions
- Price paid for photocopy paper and amount purchased

## Presentations delivered by senior GLA officers

**West Yorkshire Police** - Working Together to Tackle Modern Slavery

**ASDA** – Suppliers’ Conference

**Organization for Security and Cooperation in Europe (OSCE)** - Conference on Trafficking of Human Beings in Supply Chains

**Ethical Trading Initiative** - Multi-stakeholder Meeting

**ACAS** - Seminar on migrant and vulnerable workers: the challenges and rules for employers

**Westminster Briefing** – Next Steps for Combating Modern Slavery

**Food Manufacturers’** - HR Forum

**Federation of Bakers Council** – National Conference – Forced labour in the UK bakery sector

**Welsh Government Procurement Directorate** – Identifying Modern Slavery in Supply chains

**Greater Manchester Police and Crime Commissioner’s Modern Slavery Business Breakfast** – Working alongside business to identify risks in the supply chain

## Health & Safety Issues (RIDDOR)

None to report in this period.