



OPERATION TANCRED

Organised Offences Against the Elderly



Submitted for the
Herman Goldstein Award
by DI Joanne Lightbown & DC Richard Horton
Lancashire Constabulary
Accrington C.I.D.
Spring Gardens Accrington
BB5 2BJ
01254 -353045

SUMMARY

THE PROBLEM: We identified a national series of organised deception offences targeting the vulnerable elderly. The offences covered 6 policing areas in the UK. They were organised from abroad. The offenders specialised in the sale and installation of bogus damp proofing treatments. It is estimated that they were committing around 2,000 offences per year, making around £1.5 million. They regularly moved between Police areas and had avoided detection for over 10 years. They had developed a polished approach to their activities, dissuading other law enforcement agencies from pursuing them. The elderly victims often lost their whole life savings and were caused considerable distress.

ANALYSIS: An intelligence collection plan was initiated. This enabled us to research and identify the Modus Operandi (M.O) used by the offenders. We mapped the roles of key participants in the UK and abroad. We discovered a sophisticated cell based criminal conspiracy that had previously survived investigation by another Constabulary. The organisers were unperturbed by infrequent prosecutions of individual participants.

RESPONSE: To tackle this conspiracy, we engaged closely with many partner agencies. We offered ourselves as the co-ordinating team for a national criminal investigation. This partnership response was controlled and directed from Lancashire Constabulary and involved

- Active intelligence gathering
- Intelligence analysis and dissemination
- Evidence gathering
- Forensic and expert enquiries
- News and publicity management
- Proactive investigation
- Locating and apprehending offenders

Strong working relationships were built up between Lancashire Constabulary and all Trading Standards Departments in the North West of England. As the investigation progressed, this

partnership group grew to include national and international law enforcement, print and TV media, and trading standards throughout England.

ASSESSMENT: The operation brought all of the significant UK and Overseas offenders to justice. They were tried, convicted, imprisoned and subjected to asset recovery. All offences in the UK and Portugal had ceased by the end of 2006. They have not recurred. An attempt to re-start the scam with fire proofing services was identified and closed down within a week of opening. A clone damp proofing operation, started up by former employees was identified and also put out of business within a month Parallel damp proofing operations in Spain and Portugal were shut down. It is believed that due to the arrests of the main two offenders in America, we prevented them setting up their illegal operation over there.

DESCRIPTION

SCANNING & ANALYSIS

Lancashire Constabulary have adopted and implemented the UK National Intelligence Model. Officers serving in Intelligence Units receive training in Problem Orientated Policing as part of the Intelligence Specialist Course.

In May 2006 the circumstances of three linked offences from West Yorkshire Constabulary were referred to DC Richard Horton of the Accrington Intelligence Unit.

These three offences had been linked as a crime series by a West Yorkshire Police officer who identified the following similarities between them:-

- All involved approaches to the vulnerable elderly via telephone, offering a free damp proofing survey.
- The call was closely followed by a visit from a salesman purporting to be a surveyor. This salesman diagnosed serious rising and penetrating damp in the victim's house. The impression was given that serious damage was being done to the house and that it was in a dangerous condition. A treatment would then be sold at a grossly inflated price, well beyond what any reputable firm would charge.
- Workmen would arrive within a few hours and carry out some drilling and injecting work at the victim's home.
- Expert examination of this work showed that it was unnecessary and worthless.
- The proceeds from these offences had been laundered through bank accounts held in Clitheroe Lancashire.

Clitheroe is a town within the Eastern Division of Lancashire Constabulary. One of the early considerations in assessing whether to commit resources to the enquiry was that no other Police Force was prepared to investigate the offences. If Eastern Division didn't take responsibility to lead the investigation, the offenders would evade police attention and the offences would

continue. There were significant issues to consider surrounding public protection. In particular the victims were all elderly and from an identifiable vulnerable section of our community. A decision was taken that Eastern Division would examine the options for taking this criminal enquiry forward on a national scale. This was the starting point for Operation Tancred.

The initial resources allocated to research the problem, were a Detective Constable from the Intelligence Unit supervised by the area Reactive CID Detective Inspector.

We analysed the material handed over by West Yorkshire Constabulary and were able to establish the following facts:-

- The offences were organised from a central point abroad by a fugitive UK citizen called Nigel Hudson and his family. He enjoyed a fabulous lifestyle on the back of this offending and would continue offending until brought to justice.
- The offenders were using mail and telephone re-direction services to disguise their true location.
- The offenders were operating a call centre type operation from Portugal and had methods for identifying vulnerable elderly people over the phone whilst excluding anyone unlikely to fall for their con.
- There were between 6 and 8 salesmen operating in the UK at any time.
- They were using mobile phone text messages to maintain contact.
- The offenders employed unskilled workers, often through local Job Centres, to carry out the installations. They were provided with minimal training and were unaware that they were participating in a criminal scam.
- Owing to the vast number of offences, the offenders had set up numerous bank accounts to receive the proceeds.
- The proceeds were transferred from these accounts into a smaller number of accounts in Portugal where the proceeds of crime were withdrawn as cash.

In order to ascertain the full scope of this crime series, we made contact with Lancashire Trading Standards. They passed us details of a number of reports in Lancashire and provided contact

details for other Trading Standards departments that had reported similar crimes. Within a few weeks, the following Trading Standards departments had been contacted by ourselves directly and reported that they also had knowledge of identical offences in their area within the preceding 12 months :-

- Lancashire
- West Yorkshire
- Cheshire
- Warrington
- Wigan
- Widnes
- Merseyside
- Greater Manchester
- Bolton
- Wirral
- North Wales
- Staffordshire
- Stoke on Trent

Suspicious activity reports were discovered over the following Policing Areas

- Lancashire
- Cheshire
- Greater Manchester
- Merseyside
- West Yorkshire
- Staffordshire

Research into Lancashire Constabulary data systems highlighted the following:

- Although we knew that the offenders had been active in our Central and Western Divisions there was not a single recorded crime anywhere in Lancashire with the M.O.

used by the offenders. This accorded with our expectations. We were aware of research suggesting that deception offences against the elderly are amongst the most rarely reported crimes.

- There were a number of incident logs mentioning one or another of the trading names of the business in relation to salesman activity. Our responses had generally been to treat the incident as “suspicious activity.” Salesmen were warned regarding conduct but no arrests were made.

From this scoping exercise, it was clear that there was a well-organised criminal conspiracy specialising in offences against the vulnerable elderly throughout the UK. This was volume offending with the victims being conned into parting with anything from £500 to £5000. Many victims had handed over the majority of their life savings and as a result faced a financial struggle for the rest of their lives. The distress felt by many was clearly evident and in many cases this had a direct detrimental effect to their health and subsequent quality of life. During the course of the investigation, four elderly victims passed away.

As we received the information from other agencies it was apparent that the offences had the following additional characteristics:-

- They were almost all against retired people.
- Many of the victims were living alone
- The offenders had not baulked at exploiting persons with sight and hearing impairments or Alzheimer’s.
- They victims were all homeowners. We never came across an instance of the offenders targeting a tenant.
- The victims had all been subject to an initial unsolicited telephone contact on landlines. The offenders were using a script for these calls
- The victims all had telephone numbers published in UK telephone directories

- The victims would be offered discounts on the basis that they allowed work to begin straight away. The discount dropped the quoted price from astronomical to merely extortionate.
- The salesmen would never actually take payment from the victims. This would be collected as a cheque by the workmen.
- The victims were never informed of their rights to cooling off period and cancellation.
- Work would be commenced within hours of the sale being agreed.
- If the victim tried to cancel the work, they would be subjected to unpleasant and harassing phone calls threatening immediate legal action. In fact in all offences examined, the offenders never attempted to sue their victims, even on those occasions when the work had been done and the victim had then cancelled their payment cheque.
- The offences occurred in date clusters in specific locations. The offenders would saturate a relatively small geographic area for one or two weeks at most and then move on to another area in a different county.
- The offenders had adopted Phoenix Company tactics. A trading name was chosen based on a well known reputable business. They would change this name as soon as there was any amount of adverse publicity. During our investigation they were known as Britannia Home Improvements, Nationwide Property Protection, Home Improvement Advisory Service and Safeguard.

They relied on the fact that Police Forces did not communicate effectively in sharing the intelligence on these types of offences. Individual Police Forces were unwilling to take on the mammoth and potentially expensive task of investigating nationwide offences committed by international offenders. This was a classic example of criminality falling between the gaps in Police response at local and regional level. Although the offences caused great suffering to the vulnerable elderly, there were more pressing matters for regional agencies and a lack of capacity at local level.

We gathered information on previous law enforcement activities against this team of offenders. We identified that in 2003, there had been a previous major investigation by Staffordshire Economic Crime Unit under the name Operation Absorb. Their decision was not to invest the necessary resources to bring the key UK and Portugal based offenders to justice. Consequently, Staffordshire achieved only limited disruption and this team of criminals were allowed to continue committing their offences against the elderly until Operation Tancred commenced. The work done by Staffordshire had however been archived and an officer from Lancashire liaised with them and examined their material, which proved to be a valuable source of additional intelligence.

In summary, our scanning and analysis indicated that the three offences in West Yorkshire were the tip of an iceberg. The offenders had operated unhindered for years at NIM level 2 or arguably at NIM level 3. They had adopted a cell based organisation that had proved highly resilient in the face of traditional reactive investigations. Their type of criminality was typically not specifically addressed as part of any control strategy. Unless an effective response could be planned, the offences would continue

RESPONSE

Based on our assessment of the problem, we believed that the best way forward in addressing the problem was through forming effective partnerships with other law enforcement agencies.

A core team was set up within Eastern Division to formulate, co-ordinate and progress partnership responses to the problem. This team consisted of a local Detective Inspector, a Detective Constable with a background in intelligence, pro-active policing and fraud investigation and a retired Detective Inspector with experience in major historical enquiries who was employed by the Division on an agency basis.

An open meeting was arranged and publicised so that interested Senior Trading Standards officers could meet with the Operation Team. This was attended by every invitee and was

covered by local TV news. Footage of this meeting was broadcast on BBC North West as a warning to the public against bogus damp proofing.

From this first meeting in June 2006, it was decided that immediate actions could be taken on the basis that if every partner devoted a relatively small investment of resources and those resources were effectively co-ordinated, the overall result would be as if a single large well resourced proactive investigation had been undertaken. These included: -

- All information and intelligence relating to the offenders was passed to the Operation Tancred team for grading and analysis. It was then passed back out to every interested party. This was managed by an e-mail list ensuring that every stakeholder was kept up to date with all of the available intelligence. As soon as anything of interest was learned, it was usually passed on to all concerned within a few hours.
- Trading Standards assisted in obtaining statements and exhibits from victims. This ensured that concerned, professional support and ongoing crime prevention advice would be provided to all identified victims by a locally based organisation. As an example, when work agreed with the offenders was cancelled, Trading Standards were able to bring reassurance to the elderly victim that they could not be sued by the offenders by formally taking on all legal responsibility for the cancellation. This is not something that the Police are able to do.
- Local Trading standards provided funding for expert surveyors reports on any work done. This had the effect of spreading the cost of evidence gathering.
- Any innovative practice would be passed on by Lancashire to all Stakeholders. For example, West Yorkshire Trading Standard had their examinations done by a suitably qualified Leeds County Council Surveyor. This was cost free and highly effective. This approach was publicised in an operational e-mail update and was adopted by Liverpool and North Wales Trading Standards departments. It has also informed the relationship between Liverpool Council and Merseyside Fire and Rescue.
- A pro-active press strategy was adopted. It was agreed that as soon as anyone had information that the offenders were on an area, local Trading Standards would blitz local

news media with warnings specifically naming whichever business identity the offenders were using.

- Evidential packages were developed in Lancashire for each identified member of the conspiracy so that they could be dealt with as soon as they were arrested. We viewed this as an inoculation process leaving the salesman in no doubt that the damp treatments were worthless and the business criminal. Even if bailed for further police enquiries, it was difficult for them to continue offending.
- A Senior Crown Prosecutor was identified at an early stage to consult and advise on the prosecution side of the Operation
- The North West Regional Asset Recovery Team were involved to ensure that any criminal assets of the offenders were identified, restrained and forfeited.
- The Operation Tancred team were made available to any Trading Standards area where the offenders were currently active. The officers would travel outside Lancashire to execute search warrants, carry out arrests and interview offenders whenever necessary. This commitment involved the team travelling to London, Staffordshire, North Wales, Leeds, Manchester and Derbyshire. The result of this approach was that Trading Standards officers in the field were always directly supported by Police officers. This flexibility was matched by our partners in Trading Standards so that as soon as information reached any participant regarding current offender activity, the problem received their undivided and effective proactive attention.

Officers from the Enquiry team travelled to Portugal to arrest the key Hudson family offenders. Despite the success in obtaining all necessary arrest and search warrants, the offenders were no longer in Portugal. They had fled to the USA as their UK operation was dismantled.

Subsequent intelligence allowed the enquiry team to locate them in Florida. The focus of the investigation shifted from Portugal to America. This was based on the intelligence assessment that if left free, they would continue with their offending behaviour to fund their extravagant lifestyle. An International Arrest warrant was and Letters of request were drafted in relation to

securing and preserving evidence at premises located in Florida. The US Marshalls Service, FBI and the US Department of Justice were consulted in relation to this and were instrumental in the arrest of the two main offenders Nigel and Sarah Hudson. They waived their right to fight extradition and were returned to the UK to face trial.

See appendix A for photographs of the key members of the conspiracy.

ASSESSMENT

Disruption & Prevention

By September 2006, most of the key UK players had been identified and arrested. As a result The offenders were finding it impossible to operate in any area for more than a few days at a time before attracting joint Police and Trading Standards attention.

- When activity was highlighted by West Yorkshire Trading Standards in the local press they were able to highlight an opportunity to gather evidence covertly. Officers from Lancashire travelled to Leeds to work in tandem with the Trading Standards officers. Over the course of 2 days, 4 salesmen were arrested. Eye witness evidence of the deception and level of their criminality was obtained.

A newspaper clipping warning of the conspiracy can be found at Appendix B

- An attempt to diversify into bogus fire protection treatments was stifled after a single sale when the salesman responsible was arrested. On this occasion, we had already highlighted the possible use of this new business name to all Trading Standards partners. This circulation was based on intelligence gleaned from careful examination of documents seized during searches of homes and vehicles. Liverpool Trading Standards were able to alert us to the activity very early on and as a result an offender was arrested. Further valuable evidence was obtained and further offences were prevented.

This organised criminal conspiracy was shown at court to have been making £1.5 million a year by targeting the vulnerable elderly. We estimate that in the region of 2,000 offences per year throughout England and Wales were prevented by our disruption of this conspiracy.

During the latter stages of the enquiry we were able to contact many victims before the offenders had time to cash cheques. This resulted in a direct savings to victims in the region of £25,000 as they were able to cancel their cheques.

There was evidence of parallel operations being run by the Hudsons in Portugal, Spain, Cyprus and Florida. The arrests of all of the main organisers effectively shut down these businesses as well. Although it is harder to put an overall value on these offences, a reasonable estimate accepted at court was that they came to around £1 million per year with around 1,300 victims per year.

Arrests and Prosecutions

Nigel and Sarah Hudson fled from Portugal to the United States in October 2006 as it became impossible for them to continue offending in the UK. In July 2007, the enquiry team were able to uncover their exact location and after liaison with US Federal Marshalls they were apprehended in Cocoa Beach, Florida. Both were held for extradition in the USA in June 2007 and returned to the UK in August 2007 where they were remanded in custody.

In respect of this enquiry, eleven people were convicted of Conspiracy to Obtain Property by Deception and Money Laundering in respect of these offences.

Nigel Hudson was sentenced to 8 ½ years after pleading guilty to all charges. Sarah Hudson was imprisoned for 4 years. Five further offenders pleaded guilty as charged and were sentenced to between 6 months and 2 ½ years. Four of the offenders maintained not guilty pleas but after a lengthy trial, all were convicted and given prison terms of between 3 and 5 years.

Post conviction, work carried out by North West Regional Asset Recovery Team has resulted in assets including property and pension funds being restrained for seizure as proceeds of crime.

Protecting People

The defining feature of this enquiry was that the victims were all elderly and many of them were frail. Victim support was a great concern from the outset. Local Trading Standards, as part of their role within this crime fighting partnership, took on local responsibility for the ongoing support and assistance to victims in the post investigation phase of the enquiry. This enabled us to quickly identify those victims who were particularly vulnerable and take practical steps to meet their needs. As a result, a number of victims were able to give video evidence without making an arduous journey to court. Most striking was a victim who was near death and could not be moved from his home. By careful planning and close early liaison with the C.P.S. and court, he was able to give his evidence on a video link from his home. Other victims were picked up from home by officers from the Lancashire team and then taken back home at the conclusion of their evidence. Many victims reported that although their confidence has been shaken by being conned, being able to participate successfully in the prosecution process went a long way towards helping them recover some measure of self belief. Some of the relationships made by Trading Standards with victims are still ongoing and as a result, positive interventions have been made in other areas of the victim's life to allow them to continue to live independently or in one case to assist in signposting sheltered accommodation.

The final measure of the success of this solution is that since November 2006, the offenders have been out of business. Checks with Trading Standards national databases show that there have been no similar organised offences in the UK since that date.

Press Coverage / Publicity / Best Practice

As part of the investigative strategy, there was constant local press and media coverage from a very early stage of the enquiry. This showed both Police and Trading Standards in a positive light as taking a proactive stance.

Media interest during the enquiry resulted in a piece running on BBC TV North West consumer affairs. The reporter was briefed and engaged as to the seriousness of the offending and the

strength of the available evidence. This resulted in a very impactful piece that both named the business and warned potential victims regarding the M.O.

The benefit to the enquiry from wide press coverage and media interest was that when the conspiracy moved on to a new area, there would be members of the public already alerted to them who would contact local Trading Standards. Due to the strong partnerships formed between Trading Standards and Lancashire Police, this information was passed quickly and either actioned or disseminated as intelligence. Prior to this enquiry, Trading Standards would typically not name a business in a press release for fear of legal action.

During Operation Tancred, sufficient evidence was gained to ensure that the business names were given to the press without any fear of being sued. This allowed Trading Standards to be far more robust and specific in their condemnation and warnings, for example

“Householders in Huddersfield are again being warned about a damp-proofing company being investigated by West Yorkshire Trading Standards officers. It comes after the company, which trades under names including Nationwide Property Protection, struck in Meltham last week.”

Huddersfield Daily Examiner September 2006

“Rogue traders who pretend to deal with damp are conning vulnerable and elderly people across south Essex.” Thurrock Gazette 18th Oct 2006.

The convictions were high profile and attracted very positive coverage in the national print media and TV news. (See appendix A for copy excerpts of media coverage)

In the aftermath of the enquiry, Operation Tancred has been recognised nationally as an example of best practice in partnership working between Police and Trading Standards. The Police lead investigator was awarded the Trading Standards Doorstep Crime Hero award for 2007.

The team were invited to present their results and methods of working to a national conference on cross border doorstep crime held at Newmarket in 2008. This conference was attended by Trading Standards, Police, Third Sector and Social Services representatives.

The investigation was been covered in a one off special program by the BBC Rogue Traders team shown in March 2009 at the conclusion of the prosecutions. In this, the presenter Matt Albright followed the trail of the investigation and interviewed the OIC. This program included interviews with victims and one specifically mentioned that he was glad that offenders had been brought to justice.

Conclusions

Taken together, the conduct of this enquiry and the subsequent trial has presented a positive, proactive and effective image of the Police and our ability to work successfully with partner agencies. Using a problem orientated approach augmented with well directed partnership working, we created a simple but effective blueprint by which the resources of many regional departments in various organisations can be pooled to take on and defeat organised criminality on a national scale.

This was particularly well put by Lancashire Chief Trading Standards Officer Jim Potts who said

"I am delighted with this result which properly reflects the serious nature of these offences. It highlights how as a Service we can effectively work with the police on such matters and I cannot praise Lancashire Constabulary enough for their highly professional and determined approach in this case, which has finally seen Nigel Hudson brought to justice after years of being a thorn in the side of Trading Standards Services and the police across the Country".

ACKNOWLEDGMENTS

The Operation Tancred Team acknowledge the great assistance of the following persons and organizations all of whom have contributed above and beyond

PC Ann Whitely West Yorkshire Constabulary

DC Mick Ganley Staffordshire Constabulary

West Yorkshire Trading Standards

Lancashire Trading Standards

Cheshire Trading Standards

Warrington Trading Standards

Wigan Trading Standards

Wirral Trading Standards

Merseyside Trading Standards

Bolton Trading Standards

Staffordshire Trading Standards

Merseyside Fire and Rescue Service

The North West Regional Asset Recovery Team

Burnley, Leeds and York Offices of the Crown Prosecution Service and in particular Mr Kendal Lindley and Mr Mark Auty

Serious and Organised Crime Agency – Fugitives Desk

Sr. Ana Duarte Interpol Portugal

The Lisbon and Faro offices of The Policia Judiciaria Portugal

The United States Department of Justice

The US Marshalls Service

APPENDIX A – Photographs of the Key Conspirators

Key Members of The Conspiracy



Nigel John Hudson



Sarah Hudson



Mark Hudson



Scott McGrory



Alan Chen



Jack Brown



Joseph O'Toole

APPENDIX B – Media Clipping Warning of the Conspiracy



Warning in Yorkshire Evening Post September 2006

APPENDIX C – Excerpts of media coverage.

BBC NEWS **LIVE** BBC NEWS CHANNEL

Last Updated: Tuesday, 18 March 2008, 18:35 GMT

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Family jailed for damp-proof scam

A family who duped £3m out of elderly and vulnerable customers through a damp-proofing scam has been jailed.

Nigel Hudson, 49, trained staff in how to con people in the north west of England into having unnecessary damp proof work carried out at their homes.

Nigel and Sarah Hudson had homes in Portugal and the United States

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Damp-proof fraudster jailed

Published Date: 20 March 2008

A man has been jailed for helping a family cheat pensioners out of millions of pounds.

Jack Brown, 21, from Hebden Bridge, was one of the salesmen working for the Hudsons – a family who masterminded a nationwide scam that targeted vulnerable elderly homeowners.

Their corrupt damp-proof firm faked test results to ensure contracts.

Victims were charged on

Jailed: Jack Brown

Halifax Courier March 2008