

IASC Presentation: Launch of *Operation Fort* - *What businesses should learn from the UK's largest anti-slavery prosecution*

Delivered by Emma Crates, Prevent Lead at the Office of the Independent Anti-Slavery Commissioner (16 June 2020)

Thank you – it's great to see so many of you here today.

My talk is in two halves. First I'm going to look at the police investigation called Operation Fort. And after that, industry's response.

Operation Fort hit the headlines last summer: a Polish organised crime gang – or OCG - infiltrated the supply chains of supermarkets and DIY stores. The police identified ninety two victims, all Polish, but believe there were hundreds more.

So far, eight people have been sentenced for modern slavery offences. Four others fled the UK and are awaiting extradition. This is still a live investigation.

Why is Operation Fort is so significant? I can give you four reasons.

Firstly: The size: we believe it's the largest human trafficking investigation. Not just in the UK, but Europe - Police estimate there were up to 400 victims in total.

Secondly, The duration: the gang's activities go back to at least 2012 – and went on for years after the Modern Slavery Act passed in 2015.

Thirdly: The sector: labour provision is more tightly regulated in agriculture and food production – it has been licensed here since 2005.

Finally: the clients: Businesses that are household names tend to be more advanced on the ethical agenda –possibly because of closer consumer interest.

So, we propose that, if it can happen here, it can happen in any large supply chain. Also, while there's rightly a lot of discussion about exploitation abroad, we shouldn't underestimate the challenge here in the UK.

So how did the gang operate? They used network of agents in Poland to target vulnerable people. Their victims ranged in age from 17 to over sixty. All had vulnerabilities, such as being unemployed, homeless, ex-prisoners, or having addictions. The agents used hard sell tactics. They said that free transport to a good job in the UK was leaving that day, or soon after. Victims had little time to think.

A grim scenario followed. Anyone who saw last year's Panorama programme will remember the horrific emotional and physical abuse that victims endured, as well as the abysmal living conditions. There was threatened or actual violence. In one example men were taken to the woods and told to dig their own graves.

Victims were caught up in many crimes, including identity theft, financial and benefit fraud. But labour exploitation was the major factor, and the gang used a variety of tactics to beat the system.

For example, one of their associates worked for a labour agency. She was young and popular – seemingly a model employee – From the inside, she could manipulate the usual checks and safeguards – She colluded with the gang to bring many victims onto the books.

That's potentially the most sophisticated example - what's certain is that the exploited labour was supplied to many more labour agencies and businesses, using conventional routes. And we'll never know how many.

Suppliers not involved with this case have told us that they could just as easily have been targeted – particularly at peak times when there can be a rapid churn of temporary labour.

The criminals did a lot to cover their tracks. But even so, there must have been many signs that weren't picked up. The sight of dishevelled, distressed and hungry workers. Suspicious activity at banks, financial anomalies on agency payroll.

It was only when a couple of victims – or survivors, we should now say, – met a Polish charity worker in a soup kitchen, that things changed for them. By then, the damage was done.

Let's turn to our review. This kicked off last summer, when Dame Sara wrote to retailers affected by the investigation to ask them how they were responding.

Everyone replied, and we've since met with many organisations. We've learnt a lot – from the most efficient way to pick mushrooms, (which, by the way, involves a lot more skill than you'd imagine) to the complexities of managing risk in product lines. We've also read a lot of modern slavery statements.

Most businesses have demonstrated positive progress. For example,

- Going beyond conventional audits - piloting new ways of interacting with workers, using apps or platforms, third party surveys. This is early days, but looking promising.
- Addressing risk. businesses recognise the need to collaborate and share intelligence, and we're pleased to see a couple of embryonic industry groups being set up.
- There's growing transparency – for example - publishing details of suppliers and manufacturing sites, or launching maps of first tier factories. But much of the focus is on own brand products – with thousands of product lines, there's obviously a long way to go.
- On governance, modern slavery working groups have been set up to inform strategy.
- There's been a rolling out of awareness training.
- Some businesses are reporting on how they are resolving issues – like underpayment or holiday pay- in lower tiers of the supply chain.

Talking to first tier suppliers, who are of course, much closer to the issue – we've seen some excellent examples of systems to engage with workers, build their trust, and subtly track their welfare.

HOWEVER:

This level of activity is by no means industry wide. And organisations are at different stages of maturity. And that leads to many questions. For example:

Supply chains are shared. So why is it that some tier one suppliers are finding and reporting many more instances of exploitation than their peers?

Then there's Section 54 - that's the bit of the Modern Slavery Act requiring businesses of a certain size to report on how they are addressing modern slavery risk. Section 54 was supposed to level the playing field. But, the playing field still isn't level. Why are ethically led businesses forced to compete on price with less scrupulous competitors?

Furthermore, most of the scrutiny is towards the top of supply chains. In farming, there are countless smaller growers that are much harder to reach. They don't have resources of the large businesses. They may be financially fragile and under enormous time pressure to get the harvest in. How can we support them not to cut corners in their recruitment?

Finally, we asked a lot of businesses that, if something like Operation Fort was to happen again, were they confident that they would find it this time around? No one could give us a resounding yes.

On some level, this is encouraging, because complacency is dangerous. For every new system introduced, criminals will try to find a way round it.

But we know that criminals find it harder to operate in environments where there are strong safeguards.

However, without the right encouragement, businesses leading the charge will lose momentum. As for those lagging behind, there's a danger that they might never catch up.

Now add Covid-19 into the mix. It's generally agreed that the pandemic is pressing on existing weaknesses in supply chains. So we know it's an extremely fraught and difficult time.

But it's important to keep the conversation going. And that's why we put together a maturity matrix, for companies to think about their progress.

This matrix is not fixed. We expect it to evolve as industry matures. And there will undoubtedly be debate about the categories – We welcome that. This is more about aspiration than prescription.

You'll find the matrix is at the back of the review – but, for now, here are the headings:

And we're just bringing the slide up

[SLIDE]

You'll see there's no category that simply says "COMPLIANT" – and that's deliberate.

If you are complying with the law – producing a modern slavery statement, and only that, you're not doing enough. Section 54 sets the bar very low, even if some companies haven't even managed that.

So, instead we have "BARELY COMPLIANT" – at this level, you might have a superficial statement. – But awareness of modern slavery issues will be low in your business.

MEETING BASIC EXPECTATIONS

Here, your modern slavery Statement will be more detailed, reflecting meaningful activity. You'll be educating suppliers on policy and setting expectations. You'll be holding regular awareness-raising exercises with staff.

Moving to:

EVOLVING GOOD PRACTICE

By now, you'll be strategically training staff in key roles. Implementing the Employer Pays Principle, that no worker should pay for a job. You might be asking outside experts in, to challenge you as a business. You'll be cascading standards throughout your supply chains.

Finally - LEADING ON HUMAN RIGHTS INNOVATION

Addressing human rights will be rooted in the governance of your business. You'll be pioneering new ways of worker engagement, and innovating with technology. Also, and this might seem obvious. You'll be factoring in the true cost of labour into goods and services, and supporting suppliers to build competencies.

That's the matrix. And we've just got one more slide to add - the Commissioner has set some challenges to industry for this year.

Slide please

[SLIDE]

- Celebrate the whistleblowers who uncover wrongdoing
- Boards should incentivise action not words – and management bonuses should depend on anti-slavery wins
- Annual reports should clearly explain provision for wages
- Companies should increase the amounts of unannounced ethical audits

So I hope that has warmed us all up for the discussion. Thanks for listening, and now, I'm handing back to Dame Sara.