

## FRAUD OFFENCES SENTENCING DATA

Analysis and Research Bulletin

June 2013

This bulletin provides statistics on the outcomes and demographics of offenders<sup>1</sup> sentenced for offences covered by the draft guideline on fraud offences. The consultation period for the fraud offences draft guideline will begin on 27 June 2013 and close on 4 October 2013. Further information on these offences and the draft guideline can be found in the consultation document which can be accessed via the Current Consultations page on the Sentencing Council website, at the following link:

<http://www.sentencingcouncil.org.uk/sentencing/consultations-current.htm>

The Court Proceedings Database (CPD), maintained by the Ministry of Justice is the source of the data for this bulletin. Data on the CPD is categorised by the relevant legislation under which proceedings are brought.

### *Background Information*

There are six draft fraud guidelines:

**1. Fraud (other than revenue or benefit fraud)**

This includes offences covered by:

- Section 1 Fraud Act 2006:fraud\*; and
- Section 17 Theft Act 1968:false accounting\*.

**2. Possessing, making or supplying articles for use in fraud**

This includes offences covered by:

- Section 6 Fraud Act 2006:possession of articles for use in fraud; and
- Section 7 Fraud Act 2006:making or supplying articles for use in frauds.

**3. Revenue fraud (against HM Revenue and Customs)**

This includes offences covered by:

- Section 1 Fraud Act 2006:fraud\*;
- Section 17 Theft Act 1968:false accounting\*;
- Section 72(1) Value Added Tax Act 1994:fraudulent evasion of VAT;
- Section 72(3) Value Added Tax Act 1994:false statement for VAT purposes;
- Section 72(8) Value Added Tax Act 1994:conduct amounting to an offence;
- Section 106A Taxes Management Act 1970:fraudulent evasion of income tax;
- Section 170(1)(a)(i),(ii),(b), 170(2)(a), 170B Customs and Excise Management Act 1979:fraudulent evasion of excise duty; and
- Section 50(1)(a), 50(2) Customs and Excise Management Act 1979:improper importation of goods.

1. Includes adult offenders (aged 18 or over) at the time of sentence and companies/public bodies

## 4. Benefit fraud

This includes offences covered by:

- Section 1 Fraud Act 2006:fraud\*;
- Section 17 Theft Act 1968:false accounting\*;
- Section 111A Social Security Administration Act 1992:dishonest representations for obtaining benefit etc;
- Section 35 Tax Credits Act 2002:tax credit fraud; and
- Section 112 Social Security Administration Act 1992:false representations for obtaining benefit etc.

## 5. Money laundering

This includes offences covered by:

- Section 327 Proceeds of Crime Act 2002:concealing /disguising /converting / transferring /removing criminal property from England & Wales;
- Section 328 Proceeds of Crime Act 2002: entering into arrangements concerning criminal property; and
- Section 329 Proceeds of Crime Act 2002:acquisition, use and possession of criminal property.

## 6. Bribery

This includes offences covered by:

- Section 1 Bribery Act 2010:bribing another person; and
- Section 2 Bribery Act 2010:bribing of foreign public officials.

**\*These two offences are listed in three different guidelines, as the individual guidelines focus on a particular fraudulent activity and the likely victim of that fraud. For the purpose of this bulletin, data for these offences will only be included in Section One: General Trends and Section Two: Fraud (other than revenue and benefit fraud)**

**Due to data classification, not all offences will be included and/or described in detail within this statistics bulletin. Please refer to the index on page 3 to identify which offences are included in each section of the bulletin.**

## Index

**It is essential that the reader bear in mind the offences included in each section of this bulletin to facilitate understanding and avoid misunderstanding of the statistics for fraud offences.**

### **Section One: General Trends**

Provides general trends and aggregate sentencing data across all the fraud guideline offences, for which there data are available.

### **Section Two: Fraud (other than revenue and benefit fraud)**

This section includes data for the offences of:

- Section 1 Fraud Act 2006:fraud; and
- Section 17 Theft Act 1968:false accounting.

### **Section Three: Possession, making or supplying articles for use in fraud**

This section includes data for the offences of:

- Section 6 Fraud Act 2006:possession of articles for use in fraud; and
- Section 7 Fraud Act 2006:making or supplying articles for use in frauds.

### **Section Four: Revenue fraud (against HM Revenue and Customs)**

This section includes data for the offences of:

- Section 170(2)(a), 170B Customs and Excise Management Act 1979:fraudulent evasion of excise duty; and
- Section 50(2)(a) & (4) Customs and Excise Management Act 1979:improper importation of goods.

All other revenue fraud offences are excluded due to multiple offences classified under the same CPD code.

### **Section Five: Benefit fraud**

This section includes data for the offences of:

- Section 111A Social Security Administration Act 1992:dishonest representations for obtaining benefit etc; and
- Section 112 Social Security Administration Act 1992:false representations for obtaining benefit etc.

All other benefit fraud offences are excluded due to multiple offences classified under the same CPD code.

## Section Six: Money Laundering

This section includes data for the offences of:

- Section 327 Proceeds of Crime Act 2002: concealing /disguising /converting / transferring /removing criminal property from England & Wales; and
- Section 328 Proceeds of Crime Act 2002: entering into arrangements concerning criminal property; and
- Section 329 Proceeds of Crime Act 2002: acquisition, use and possession of criminal property.

There is no section for Bribery as there is limited data available for the offences covered by this guideline. Sentencing data for offences included in the draft guideline for the offence of bribery has not been categorised in enough detail to provide a report of sentencing practice.

The statistics bulletin for fraud offences does not differentiate between offences committed by individuals and organisations, because so few organisations are sentenced each year (n=4 in 2011).

Although the Ministry of Justice has now published sentencing data for 2012; this bulletin reflects the data used by the Sentencing Council in the development of its draft Fraud offences guideline which began in November 2012.

The figures on which all of the tables and charts provided in this bulletin are based are available for download as Excel spreadsheets at the following link:

<http://sentencingcouncil.judiciary.gov.uk/facts/research-and-analysis-publications.htm>

## SECTION 1: GENERAL TRENDS ACROSS ALL FRAUD OFFENCE GUIDELINES

This section summarises data across all fraud offences covered by the draft guideline, for which data is available<sup>1</sup>. When reading this section, it is important to bear in mind that it includes a wide range of offences, as illustrated by the difference in statutory maximum sentences which range from level five fine and/or three months' custody to 14 years' custody. Most cases in 2011, 65 per cent of them, were sentenced at the magistrates' court.

Figure 1.1 shows the volume of offenders<sup>3</sup> sentenced for a fraud offence since 2001. The number of fraud offences sentenced has increased following the introduction of the 2006 Fraud Act, which came into force on 15 January 2007 and may have brought into the scope of fraud offences some fraudulent activity not previously recorded as fraud. This contributed to the increase in the volume of offenders sentenced between 2007 and 2011, compared to pre 2007 levels. The volume of offenders has been relatively stable since 2009, with 16,317 offences in 2011.

**Figure 1.1: Number of offenders sentenced for all fraud offences, covered by the draft guidelines, 2001 - 2011**

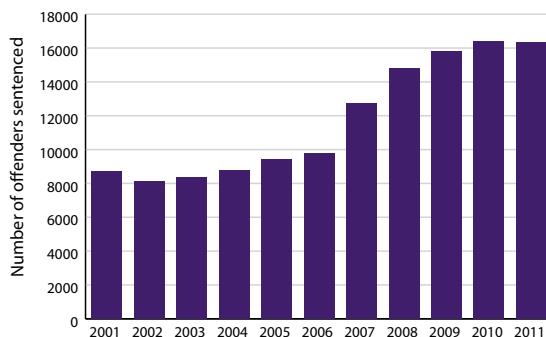


Figure 1.2 demonstrates the relative contribution of each guideline, to the total number of offenders sentenced each year. Section 1, 6 and 7 of the Fraud Act 2006 contribute to the increase in volume of offences since 2006, which may be due to certain types of fraudulent activity being brought into the scope of fraud offences for the first time (see the previous paragraph). Though the number of individuals sentenced each year for benefit fraud appears to be on a decline, it is not known if this is due to fewer offences being committed, a change in charging practice, an increase in out of court settlements or other plausible explanations.

**Figure 1.2: Number of offenders sentenced for all fraud offences, by guideline, 2001 - 2011**

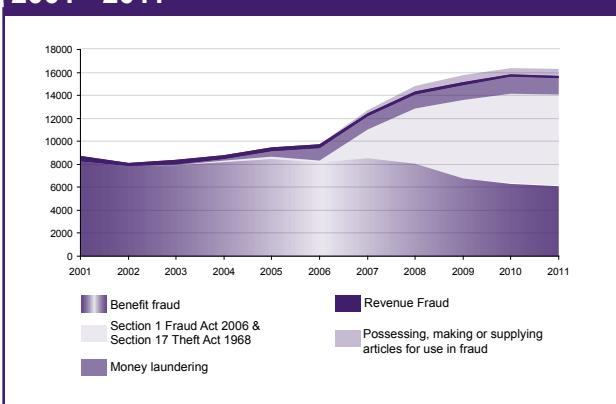
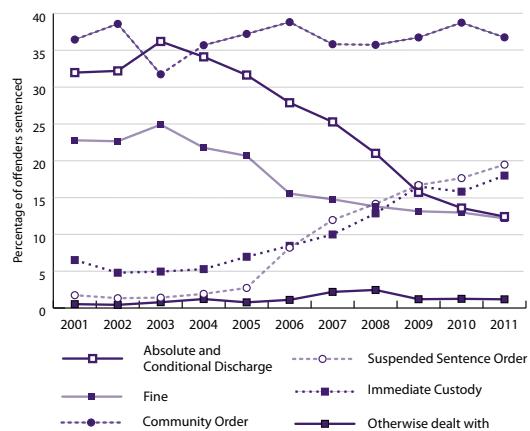


Figure 1.3 shows how the relative proportion of disposal types used to sentence offenders for fraud offences covered by the draft guideline has changed since 2001. The increase in the proportionate use of suspended sentence orders (SSO) from 2005 followed their implementation under the Criminal Justice Act 2003. This had a corresponding decrease in the use of other disposals types, which is clearly demonstrated in this figure.

**Figure 1.3: Disposals received by offenders for all fraud offences covered by the draft guidelines, 2001 - 2011**

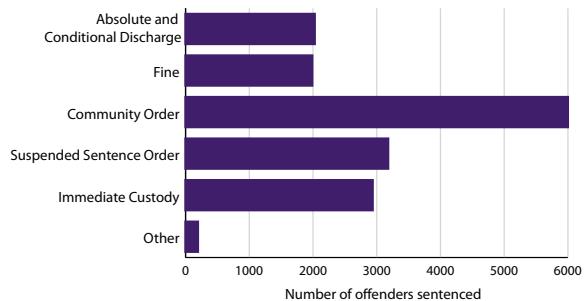


The use of immediate custody has increased from five per cent in 2002 to 18 per cent in 2011; the proportion of sentences accounted for by the use of absolute and conditional discharge has declined by two thirds, since its peak of 36.2 per cent in 2002, to 12.4 per cent in 2011. The introduction of the Fraud Act in 2006 is also likely to have had an impact on the relative proportions of the different types of disposals.

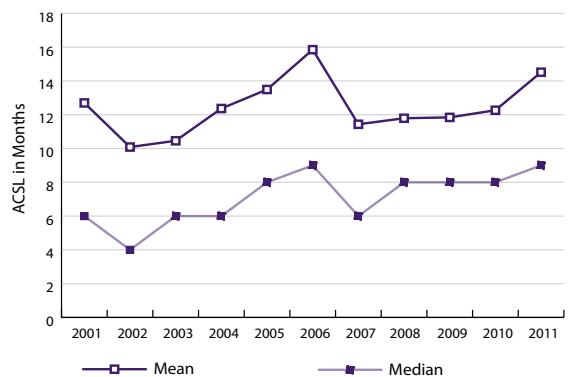
In 2011, the most common disposal used was a community order, given to 5998 offenders, which accounts for 37 per cent of all sentences. This can be seen in Figure 1.4, which shows the number of sentences received by offenders sentenced in 2011 by disposal type.

Figure 1.5 shows the average custodial sentence length imposed on offenders between 2001 and 2011. The sentence length listed is the length imposed after taking into account any reduction for a guilty plea, where relevant.

**Figure 1.4: Disposals received by offenders for a fraud offences covered by the draft guidelines in 2011**



**Figure 1.5: Average custodial sentence length received by offenders sentenced to immediate custody for fraud offences covered by the draft guidelines, 2001 - 2011**



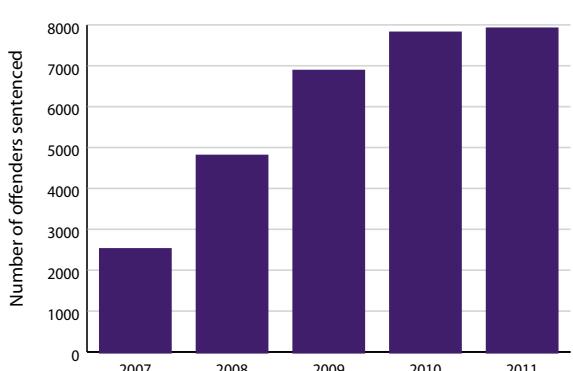
Both the mean and median show variation across the decade, with the largest one year change occurring from 2006 to 2007, where the mean decreased by four and a half months and the median decreased by three months. This change is likely due to the introduction of the Fraud Act 2006, which may have brought into scope fraudulent activity not previously classified as fraud offences and had lower ACSL than the existing fraud offences, see figure 2.4.

## SECTION 2: FRAUD (OTHER THAN REVENUE AND BENEFIT FRAUD)<sup>2</sup>

In 2011, there were 7,897 offenders sentenced for offences included in this section. As the number of individuals sentenced for s1 Fraud Act 2006 (n=7,856) is significantly larger than the number sentenced under s17 Theft Act 1968 (n=41 in 2011), statistics for these offences will be reported together. Due to the low volume of sentences for s17 Theft Act 1968 prior to 2006, time trends will begin from 2007, which is the first year in which data is available for s1 Fraud Act 2006.

Figure 2.1 shows the number of offenders sentenced between 2007 and 2011. The number of individuals sentenced has increased 3-fold from 2,501 in 2007 to 7,797 in 2010, with a similar volume in 2011. Sixty five per cent of combined s1 and s17 cases were seen at the magistrates' court.

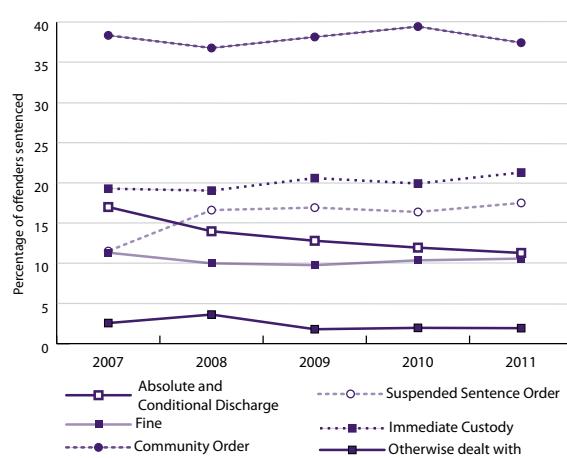
**Figure 2.1: Number of offenders sentenced for fraud offences, 2007 – 2011**



The disposals received by offenders sentenced for these offences are shown in Figure 2.2. The use of disposals has been relatively consistent following the introduction of the Fraud Act in 2006.

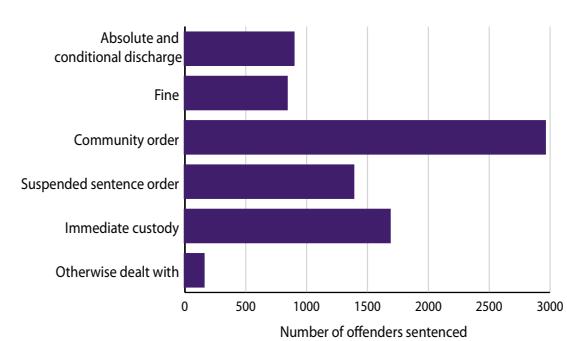
Community order has remained the most common sentence handed out since 2004.

**Figure 2.2: Disposals received by offenders for fraud offences, 2007-2011**



The disposal types received by offenders in 2011 are shown in Figure 2.3, with 2,956 offenders receiving a community order. Immediate custody was the next most common outcome.

**Figure 2.3: Disposals received by offenders sentenced for fraud offences in 2011**



The average custodial sentence length (Figure 2.4) has increased each year since 2006, more than doubling following the introduction of the Fraud Act 2006, from five months and 24 days in 2007 to 12 months and 12 days in 2011. The mean has remained higher than the median since 2007, indicating that the mean has been skewed by a relatively low number of high

length sentences. The averages shown are after a guilty plea reduction, where appropriate.

**Figure 2.4: Average custodial sentence length received by offenders sentenced to immediate custody for fraud offences, 2007 -2011**

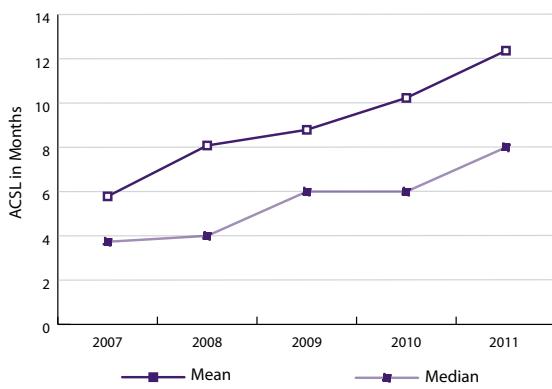
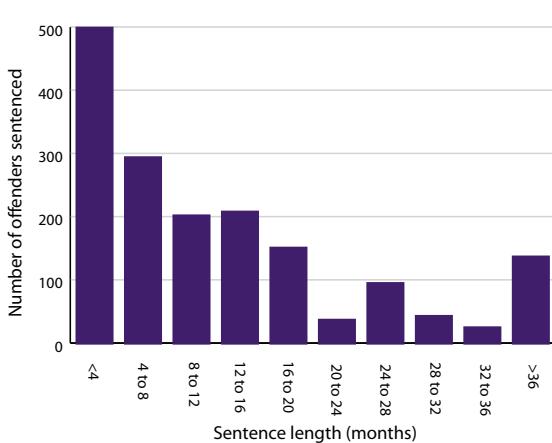


Figure 2.5 shows the full range of sentence lengths received by offenders sentenced to immediate custody in 2011. Half of all sentences were shorter than eight months, and a relatively small amount of offenders received a sentence of greater than 36 months.

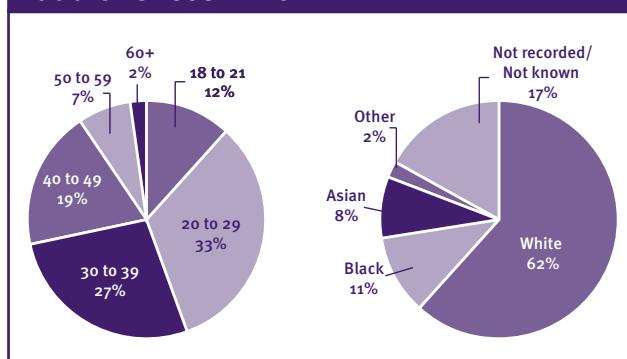
**Figure 2.5: Sentence lengths received by offenders sentenced to immediate custody for fraud offences in 2011**



## DEMOGRAPHICS OF OFFENDERS SENTENCED FOR OFFENCES UNDER SECTION 1 FRAUD ACT 2006 AND SECTION 17 THEFT ACT 1968

Of all offenders sentenced in 2011, 72 per cent were male, 26 per cent were female, (1.5 per cent not recorded). A third of all offenders were in the age bracket 22 to 29 and an additional 27 per cent were between 30 to 39 years old. In 62 per cent of cases, the offender was believed to be of White origin by the police officer dealing with the case. The proportions amongst those for whom data on perceived ethnicity was provided may not reflect the demographics of the full population of those sentenced due to the significant proportion (17 per cent) of unknown cases. Further detail on the age and perceived ethnicity of adults sentenced for Section 1 Fraud Act 2006 and Section 17 Theft Act 1968 is shown in Figure 2.6.

**Figure 2.6: Age demographics and perceived ethnicity of adults sentenced for fraud offences in 2011**

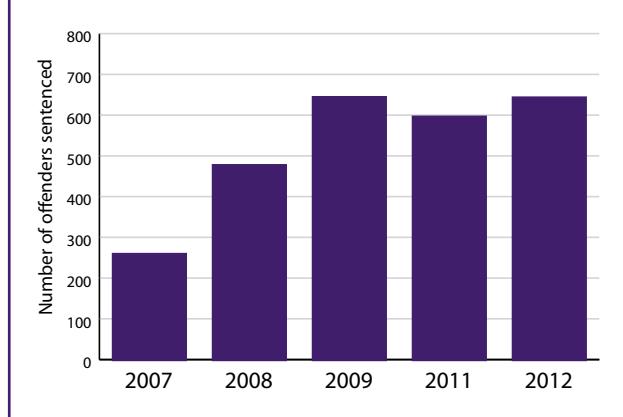


### SECTION 3: POSSESSING, MAKING OR SUPPLYING ARTICLES FOR USE IN FRAUD

Between 2007 and 2011, ninety per cent of offenders sentenced for offences in this section were sentenced for offences under Section 6 Fraud Act 2006. Due to the comparatively low volume of s7 offences, the statistics in this section will be shown for combined s6 and s7 offences.

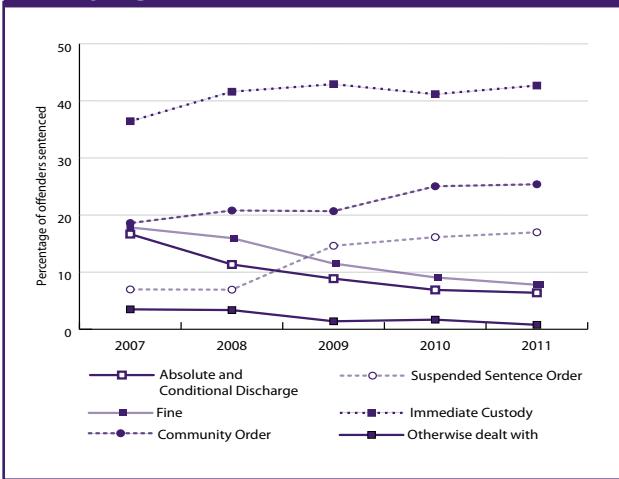
In 2011, 642 offenders were sentenced for s6 and s7 Fraud Act 2006, shown in Figure 3.1. This has increased year on year to 2009 and has remained fairly stable since. Just over half (52 per cent) of all cases in 2011, were seen at the Crown Court.

**Figure 3.1: Number of offenders sentenced for possessing, making or supplying articles used for fraud, 2007 – 2011**



Immediate custodial sentence has remained the most common disposal used for these offences since their introduction, as shown in Figure 3.2. The use of fines and discharge have been on the decline, while community order, suspended sentence and to a lesser extent custody, have seen an increase in their relative proportion since 2007.

**Figure 3.2: Disposals received by offenders sentenced for possession, making or supplying articles used for fraud, 2007-2011**



In 2011, 254 offenders were sentenced to immediate custody for Section 6, and a further 20 for Section 7 offences, as shown in Figure 3.3. Community order was the second most frequent disposal type, given to 163 (25 per cent) of all offenders sentenced in 2011.

**Figure 3.3: Disposals received by offenders sentenced for possession, making or supplying articles used for fraud in 2011**

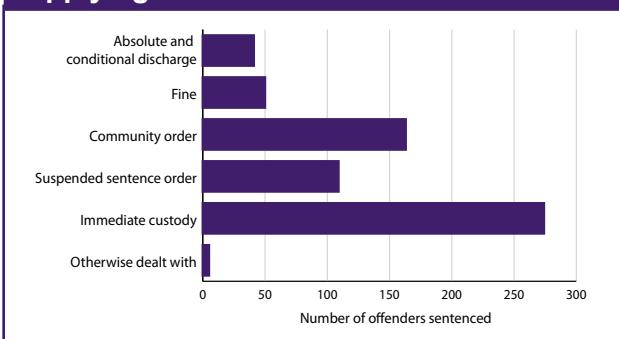


Figure 3.4 presents the average custodial sentence length imposed on offenders sentenced to custody for Section 6 & 7 Fraud Act 2006 offences.

Though there was no clear trend, the mean sentence length peaked in 2008 at 11 months and eight days. The mean then gradually declined to nine months and four days in 2010.

before slightly increasing to nine months and 25 days in 2011.

**Figure: 3.4: Average custodial sentence length received by offenders sentenced to immediate custody for possession, making or supplying articles used for fraud, 2007 – 2011**

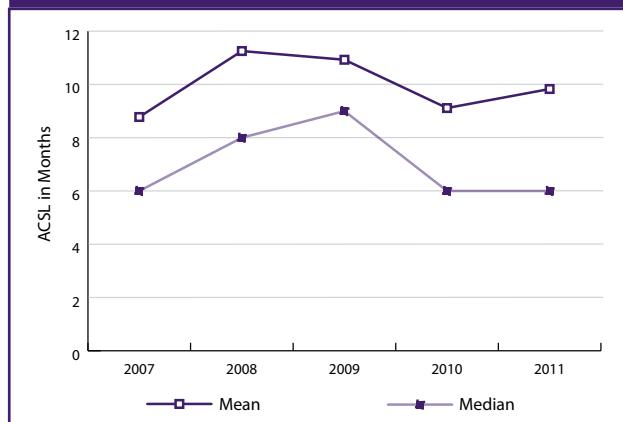
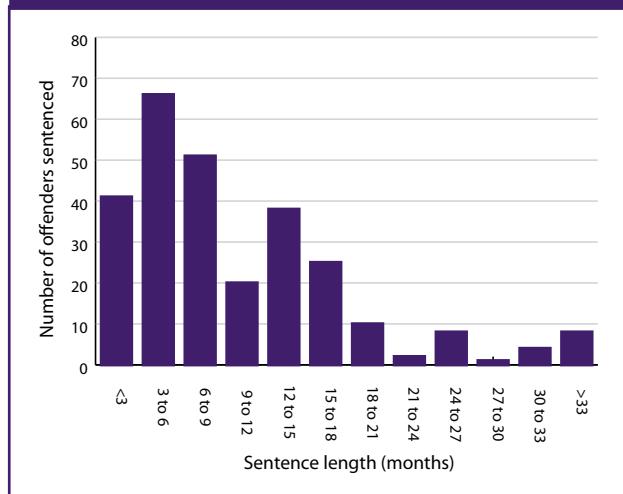


Figure 3.5 presents the full range of sentence lengths received by offenders sentenced to immediate custody in 2011. The sentence length presented is after the consideration of a guilty plea.

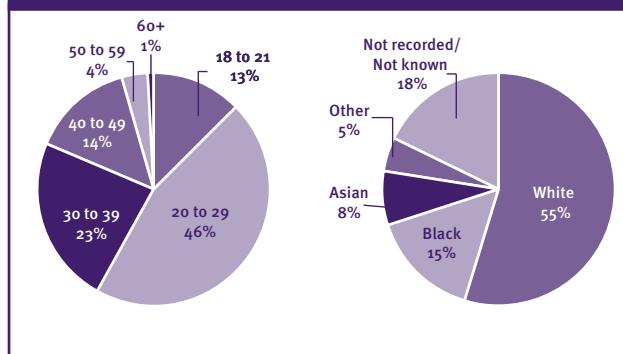
**Figure 3.5: Sentence lengths received by offenders sentenced to immediate custody for possession, making or supplying articles used for fraud in 2011**



## DEMOGRAPHICS OF OFFENDERS SENTENCED FOR OFFENCES INVOLVING POSSESSING, MAKING OR SUPPLYING ARTICLES USED FOR FRAUD

In 2011, 90 per cent of offenders sentenced were male. Fifty five per cent of offenders sentenced were perceived to be of White origin by the police officer dealing with the case. The proportions amongst those for whom data on perceived ethnicity was provided may not reflect the demographics of the full population of those sentenced. Just under 46 per cent were between the ages of 22 to 29, and a further 23 per cent were between ages 30 to 39. Further detail on age and perceived ethnicity of offenders sentenced for possessing and making articles for use in fraud, are shown in Figure 3.6.

**Figure 3.6: Age demographics and perceived ethnicity of adults sentenced for possession, making or supplying articles used for fraud in 2011**



## SECTION 4: REVENUE FRAUD (AGAINST HM REVENUE AND CUSTOMS)

In 2011, 171 offenders were sentenced for offences under the Customs and Excise Management Act 1979<sup>1</sup>. As this is first year in which data for Cheat the Revenue offences was recorded in the CPD, these offences have been excluded from the statistics presented in this section to avoid misunderstanding of the statistics.

The majority (87 per cent) of all offenders sentenced for Customs and Excise Management Act 1979 offences were sentenced at the Crown Court, in 2011.

Figure 4.1 shows how the volume of offenders sentenced has changed since 2001. There was sudden drop in the volume of offenders sentenced for offences under Customs and Excise Management Act 1979, between 2001 and 2002, from 462 to 274, before rising to 406 in 2003. Overall, the number of offenders sentenced has been on a decline since 2003, falling nearly 58 per cent between 2003 and 2011.

**Figure 4.1: Number of offenders sentenced for revenue fraud, 2001 – 2011**

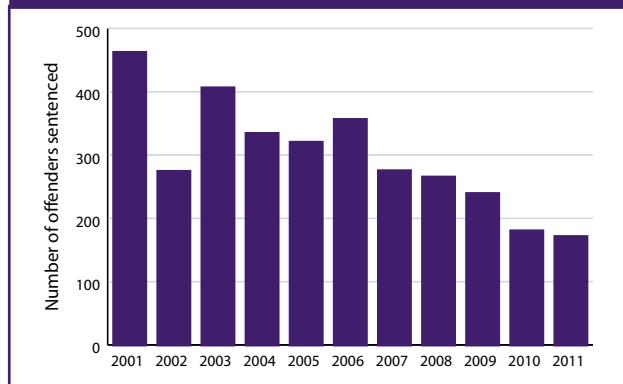
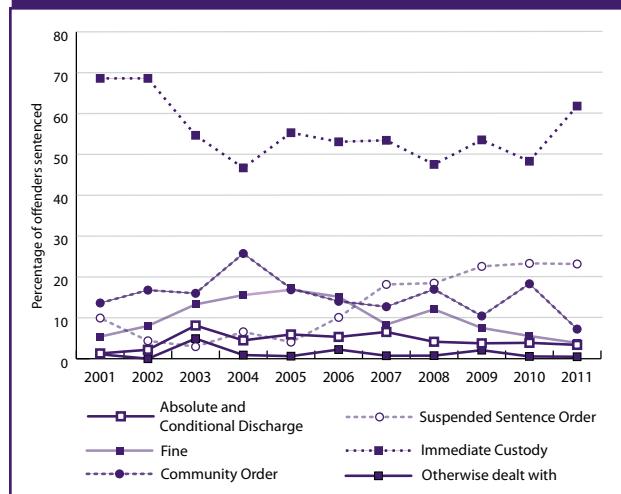


Figure 4.2 shows the disposals used when sentencing offenders under the sections of the Customs and Excise Management Act 1979

included in the draft guideline, over the last decade.

**Figure 4.2: Disposals received by offenders sentenced for revenue fraud, 2001-2011**



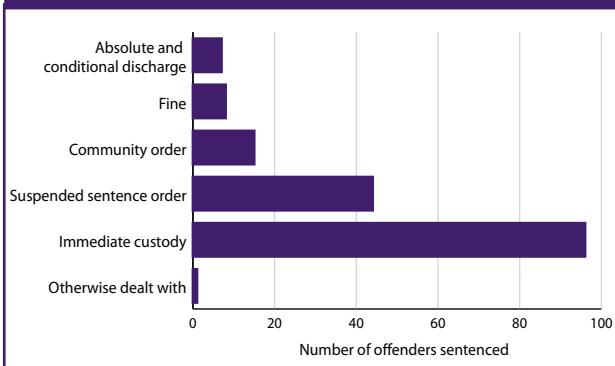
The proportion of offenders sentenced to immediate custody, the most common disposal type, has declined from 69 per cent in 2001 to 47 per cent in 2004. Between 2004 and 2010 the proportion has fluctuated between 47 per cent and 54 per cent; increasing to 62 per cent in 2011. The use of both community order and fine has experienced an overall downward trend, with fluctuation each year as the use of suspended sentence orders have increased since 2005.

Although there has been a shift in the use of different disposal types, without knowing the relative severity or other details of the cases coming to the courts each year, it is not possible to say whether these trends indicate a change in the way that the courts are dealing with revenue fraud offences.

Recent sentencing practice for revenue fraud offences covered by the draft guideline (in terms of number of offenders sentenced) is presented in Figure 4.3.

1. Thirty-six offenders were sentenced for Cheat the Revenue in 2011, all of which were sentenced at the Crown Court.

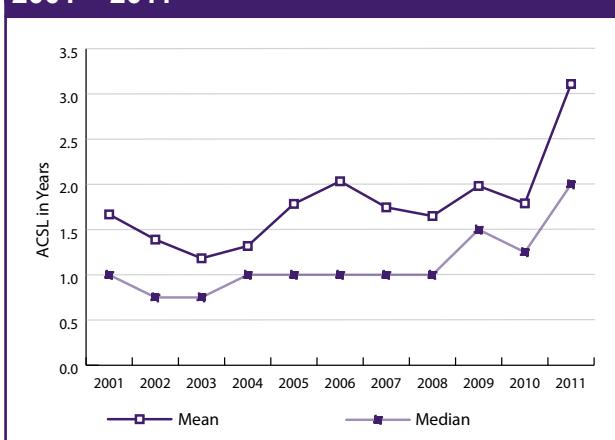
**Figure 4.3: Disposals received by offenders sentenced for revenue fraud in 2011**



Immediate custody, followed by suspended sentence order, was the most common disposal used for sentencing offences under Customs and Excise Management Act 1979 in 2011<sup>1</sup>.

The average sentence length imposed each year between 2001 and 2011 for offenders sentenced to immediate custody for offences under Customs and Excise Management Act 1979 is shown in Figure 4.4. The average sentence length presented is after any reduction for a guilty plea, if given.

**Figure 4.4: Average custodial sentence length received by offenders sentenced to immediate custody revenue fraud, 2001 – 2011**



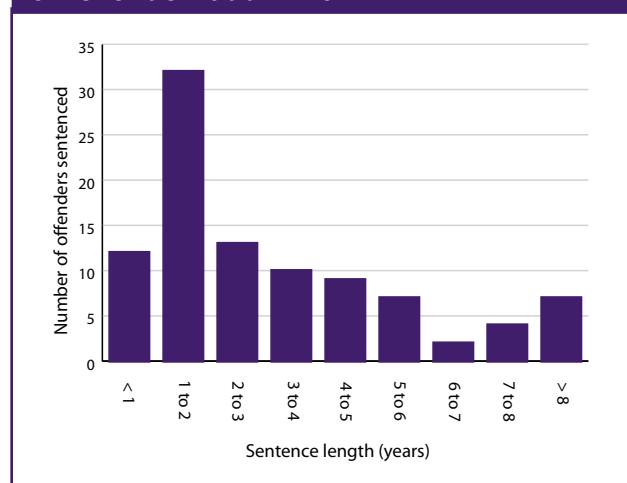
There was a slight upward trend in the sentence length, with the mean increasing by 34 per cent (median increase by 40 per cent)

between 2003 and 2010. Though there was a notable increase in 2011, data from 2011 onward will be required to indicate whether this is an outlier or an escalation of the upward trend. Without knowing the relative severity of cases coming to the courts, it is not possible to say whether this increase in average sentence length is due to a change in sentencing practice or the details of the case.

In 2011, the mean sentence length for offenders sentenced to immediate custody for Cheat the Revenue offences was nearly three years (2.97 years, median 2.66 years).

Figure 4.5 shows a histogram of the sentence length imposed on offenders sentenced for revenue fraud offences covered by this section of the bulletin in 2011. Just fewer than 70 per cent of custodial sentences were less than four years and seven per cent of offenders received a sentence of over eight years in length.

**Figure 4.5: Sentence lengths received by offenders sentenced to immediate custody for revenue fraud in 2011**



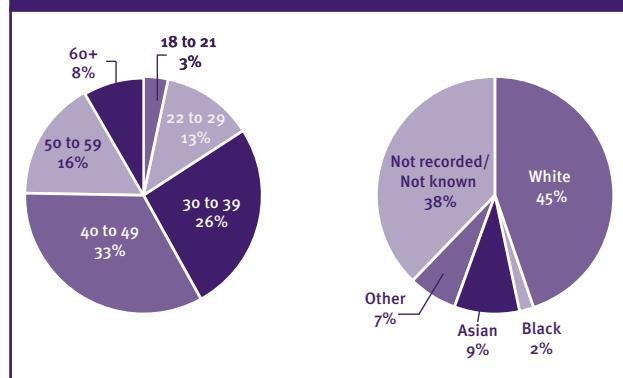
## DEMOGRAPHICS OF OFFENDERS SENTENCED FOR CUSTOMS AND EXCISE MANAGEMENT ACT 1979 OFFENCES

Of all offenders sentenced for Customs and Excise Management Act 1979 offences covered by the guideline, 94 per cent were male.

Forty five per cent of offenders were perceived to be of white origin by the police officer dealing with the case. For 39 per cent of offenders, the ethnicity was either not known or not recorded; therefore the proportions amongst those for whom data on perceived ethnicity was provided may not reflect the demographics of the full population of those sentenced.

A third of all offenders were in the age bracket of 40 to 49, and an additional quarter of offenders were between ages 30 to 39. Similar results were observed when including Cheat the Revenue offences. Further information on age and perceived ethnicity of offenders sentenced for Revenue fraud offences can be found in Figure 4.6.

**Figure 4.6: Age demographics and perceived ethnicity of adults sentenced for revenue fraud in 2011**

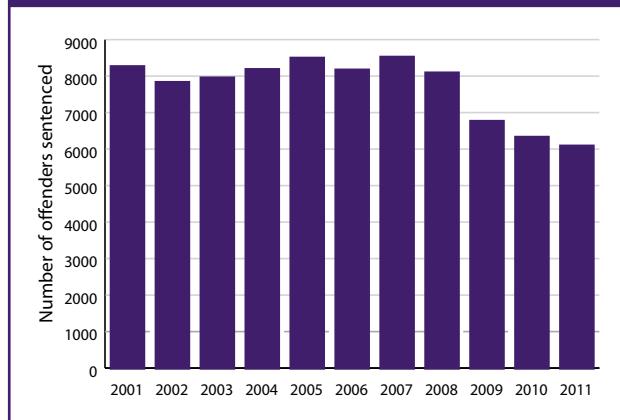


## SECTION 5: BENEFIT FRAUD

In 2011, 6,080 offenders were sentenced for offences included in the benefit fraud statistics bulletin. Of these, 75 per cent were for offences under S111A & S11A Social Security Administration Act 1992 and 25 per cent were under Section 112 Social Security Administration Act 1992.

Figure 5.1 shows how the number of offenders sentenced for these offences has changed since 2001.

**Figure 5.1: Number of offenders sentenced for benefit fraud, 2001 – 2011**

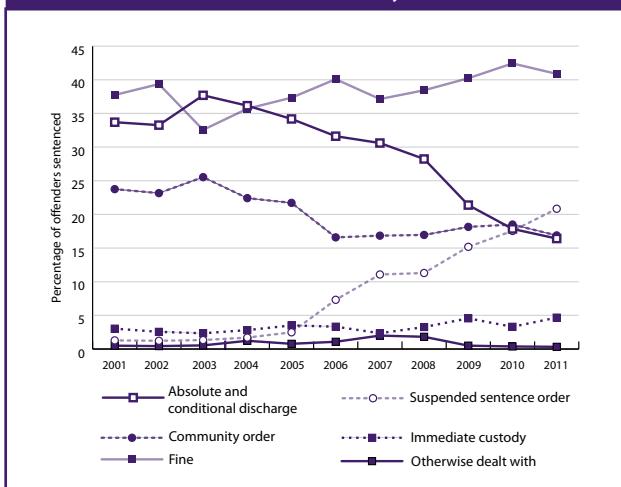


Until 2008, the number of offenders sentenced for these benefit fraud offences was fairly stable, averaging at 8180 per annum. Since then, there has been a year on year decrease.

In 2011, the number of offenders sentenced for these offences, 6080, was the lowest number since 2001. It is not known if this is due to a change in charging practice, an increase in the use of out of court settlements, fewer offences committed or another plausible explanation. In 2011, the majority of cases (79 per cent) were seen at the magistrates' court.

Figure 5.2 shows the historic trend of disposal types for sentencing offenders for the benefit fraud offences covered by this section.

**Figure 5.2: Disposals received by offenders sentenced for benefit fraud, 2001-2011**



The proportionate use of suspended sentence orders (SSO), implemented under the Criminal Justice Act 2003, has increased steadily since 2005.

The use of absolute and conditional discharge has shown a gradual decline since 2003, falling from 38 per cent of all disposals to 16 per cent in 2011.

Between 2001 and 2005, fines were given on average to 23 per cent of offenders, reducing to an annual average of 17 per cent of all offenders between 2006 and 2011.

Although there has been a change in the use of different disposal types, without knowing the relative severity or other details of the cases coming to the courts each year, it is not possible to say whether these trends indicate a change in the way that the courts are dealing with benefit fraud cases.

In 2011, the most common disposal type was a community order, accounting for 41 per cent

of all sentences. This can be seen in Figure 5.3, which shows the disposals received by offenders sentenced in 2011.

**Figure 5.3: Disposals received by offenders sentenced for benefit fraud in 2011**

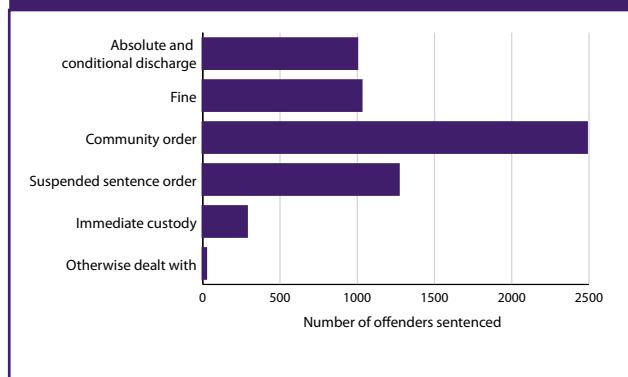
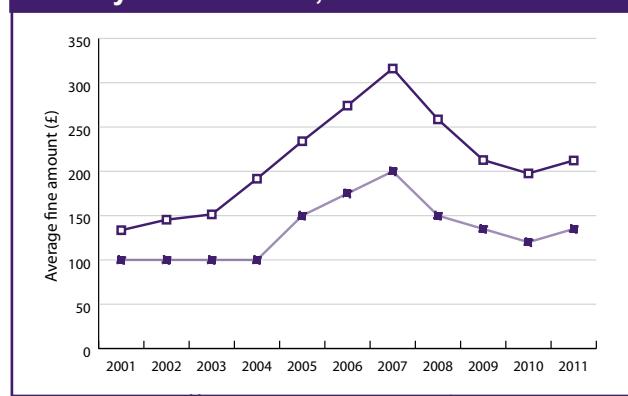


Figure 5.4 shows the average fine amount imposed on offenders between 2001 and 2011. Where historic fine amounts are described, nominal amounts are shown. No attempt has been made to adjust for the price level (inflation). Additionally, the fine amounts listed are the amounts imposed after taking into account any reduction for a guilty plea.

**Figure: 5.4: Average fine amount received by offenders sentenced to immediate custody benefit fraud, 2001 – 2011**

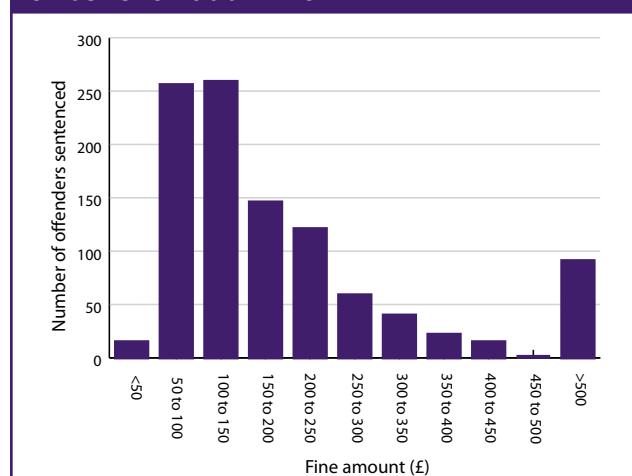


The average fine amount increased by 136 per cent between 2003 and its peak in 2007, and then decreased by 37 per cent between 2007 and 2010. There has been a slight increase (7 per cent) in average fine from £198 (mean, median of £120) in 2010 to £212 (mean, median

of £135) in 2011.

Figure 5.5 shows the full range of amounts imposed on offenders sentenced to a fine in 2011. Two thirds of fines imposed were for £200 or less. The largest fine imposed was £5,000.

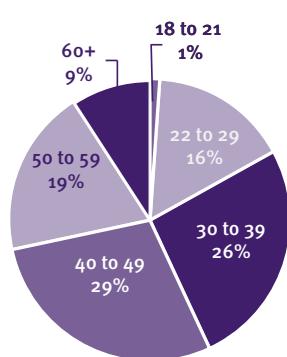
**Figure: 5.5: Sentence lengths received by offenders sentenced to immediate custody for benefit fraud in 2011**



## DEMOGRAPHICS OF OFFENDERS SENTENCED FOR BENEFIT FRAUD OFFENCES

Where the gender was known (90.3 per cent of cases), 54 per cent of offenders sentenced for benefit fraud offences were female. Nearly 30 percent of those sentenced were in the age bracket of 40 to 49, and a further quarter of offenders were in the age bracket 30 to 39. Further information on the age demographics of offenders can be found in Figure 5.6.

**Figure 5.6: Age demographics of offenders sentenced for benefit fraud in 2011**



For the majority of offenders sentenced, 92 per cent, the perceived ethnicity was either not known or not recorded by the police officer dealing with their case. For this reason, perceived ethnicity is not presented in this section.

## SECTION 6: MONEY LAUNDERING

In 2011, 1406 offenders were sentenced for offences covered by the money laundering draft guideline, as presented in Figure 6.1. The Proceeds of Crime Act 2002 (the Act), came into effect on 24 February 2003; however data are shown from 2004 onwards due to the very low volumes of sentences recorded in the first few years after the introduction of the Act. Following the introduction of the Act, there was a large increase in the number of offenders sentenced from 2004 to 2006, followed by a period of stability, before peaking at 1,477 offenders sentenced in 2010. Slightly less than 75 per cent of all cases were seen at the Crown Court in 2011.

**Figure 6.1: Number of offenders sentenced for money laundering, 2004 – 2011**

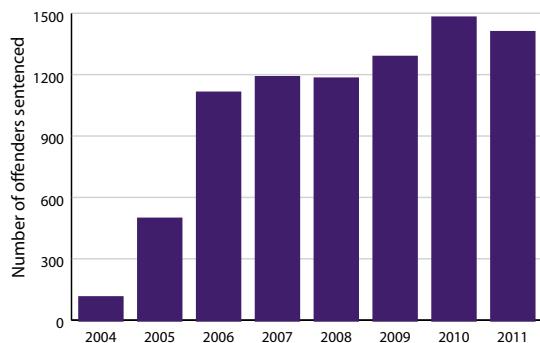
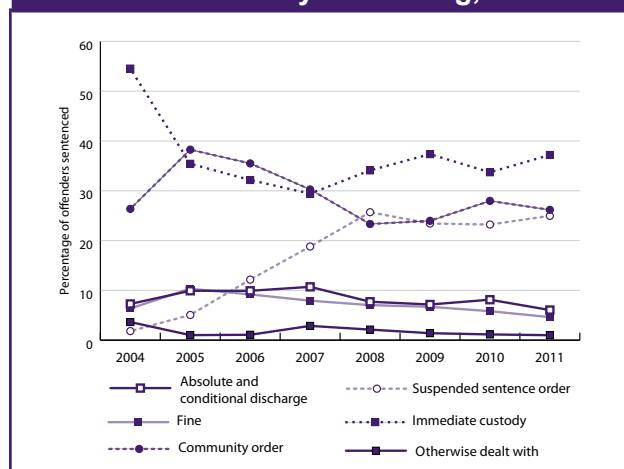


Figure 6.2 shows the historic trend of disposal types when sentencing offenders for money laundering offences covered by the draft guideline.

Following a period of initial volatility after the introduction of the Act, the relative use of the disposals has become more consistent since 2008. The use of community order showed the most marked decline following the introduction of suspended sentence orders, but has been comparatively stable since 2008. There has

been a slight decline in the use of absolute and conditional discharge, fine and otherwise dealt with cases, since 2007.

**Figure 6.2: Disposals received by offenders sentenced for money laundering, 2004-2011**



Although there has been a change in the use of different disposal types, without knowing the relative severity or other details of the cases coming to the courts each year, it is not possible to say whether these trends indicate a change in the way that the courts are dealing with money laundering offences.

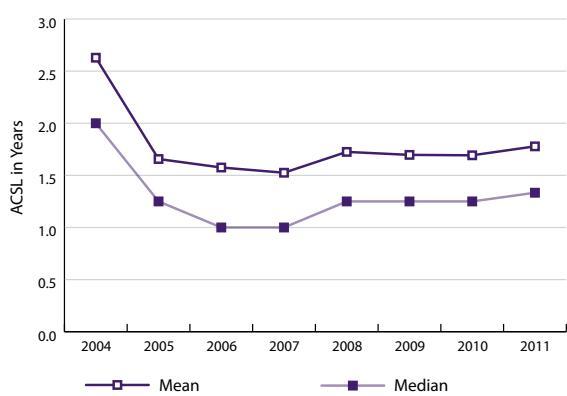
In 2011, immediate custody was the most common disposal used, accounting for 37 per cent of all sentences. This can be seen in Figure 6.3, which shows the disposals received by offenders in 2011.

**Figure 6.3: Disposals received by offenders sentenced for money laundering in 2011**



The average sentence length imposed on offenders sentenced to immediate custody for money laundering offences between 2004 and 2011 is shown in Figure 6.4. The sentence length listed is the length imposed after taking into account guilty plea reductions, if relevant.

**Figure: 6.4: Average custodial sentence length received by offenders sentenced to immediate custody money laundering, 2004 – 2011**

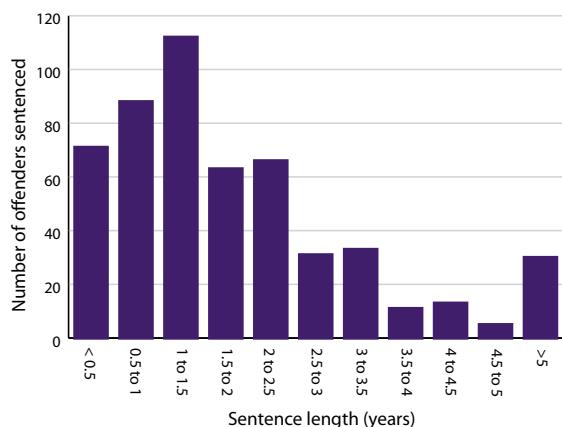


Both the mean and median follow the same trend, a decrease in length over the first few years following the introduction of the act, followed by relatively consistent sentence lengths between 2005 and 2011. The average sentence length between 2005 and 2011 was 1 year and 8 months (mean, median of 1 year and 2 months).

Figure 6.5 shows the full range of sentence lengths imposed for offenders sentenced to immediate custody in 2011.

Over three quarters, 76 per cent, of offenders received a sentence length of 2.5 years or less, compared to fewer than six per cent receiving a sentence of longer than five years.

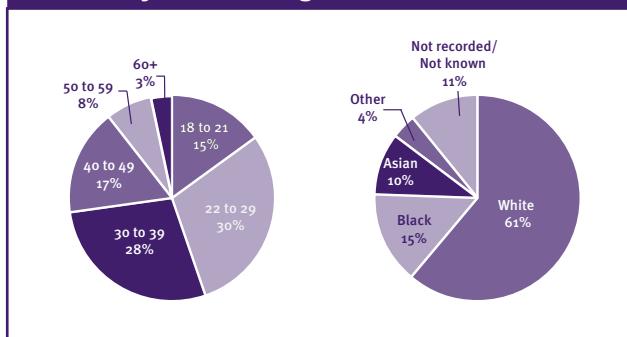
**Figure: 6.5: Sentence lengths received by offenders sentenced to immediate custody for money laundering in 2011**



## DEMOGRAPHICS OF OFFENDERS SENTENCED FOR MONEY LAUNDERING OFFENCES COVERED BY THE DRAFT GUIDELINE

In 2011, 83 per cent of offenders sentenced for money laundering offences, were male. Thirty per cent of offenders were between the ages of 22 to 29, and a further 28 per cent were in the age bracket 30 to 39. The majority of offenders sentenced, 61 per cent, were perceived to be of White origin by the police officer dealing with their case. The proportions amongst those for whom data on perceived ethnicity was provided may not reflect the demographics of the full population of those sentenced. Further information on the age and ethnicity of offenders can be found in Figure 6.6.

**Figure 6.6: Age demographics and perceived ethnicity of offenders sentenced for money laundering in 2011**



## **Further Information**

### **Notes on the Data**

#### *Volumes of sentences*

The data presented only include cases where the fraud offence was the principal offence committed. Where an offender commits multiple offences on a single occasion, the offence which received the most severe sentence is taken to be the principal offence. Although the offender will receive a sentence for each of the offences that they are convicted of, it is only the sentence for the principal offence that is presented in this bulletin. This way of representing the data is consistent with the Ministry of Justice publication, Criminal Justice Statistics.

#### *Sentence Outcomes*

The outcomes presented are the final sentence outcomes, after taking into account all factors of the case, including whether a guilty plea was made. This contrasts with the sentencing ranges presented at step 2 of the draft new guideline, which are the recommended sentence lengths before taking into account certain factors, such as whether a reduction is appropriate for a guilty plea. Therefore, the sentence outcomes shown in the data are not directly comparable to the ranges provided in the new guideline.

#### *Offence severity*

The data provided takes account of offence type, but not the severity of the offence committed within the offence type. This is especially important to note when analysing the variation in sentencing through time: it is not possible to distinguish whether variation is due to changes in sentencing practice, or whether it is due to changes in the severity of the crimes for which offenders are being sentenced.

#### *Fine amount*

Where historic fine amounts are described, nominal amounts are shown. No attempt has been made to adjust for the price level (inflation). Additionally, the fine amounts listed are the amounts imposed after taking into account guilty plea reductions.

#### *Offender Gender and Ethnicity*

Where the ethnicity of sentenced adults is described, the ethnicity as perceived by the police officer dealing with the case is used. Perceived ethnicity is the most comprehensive data source available on ethnicity; therefore it is used in preference to any other source of ethnicity data. However, for some fraud offences, there are a high proportion of cases where the perceived ethnicity was not known or not recorded. Therefore the ethnicity data should be read with some caution. The proportions reflected amongst those for whom data was provided may not reflect the demographics of the full population of those sentenced.

## *General Conventions*

The following conventions have been applied to the data:

- Percentages derived from the data have been provided in the narrative and displayed on charts to the nearest whole percentage, except when the nearest whole percentage is zero. In some instances, this may mean that percentages shown, for example in pie charts, do not add up to 100 per cent.
- Where the nearest whole per cent is zero, the convention '<0.5' has been used.
- Where totals have been provided, these have been calculated using unrounded data and then rounded. Therefore percentages provided in the narrative may differ slightly from the sum of percentages shown on the pie charts.

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## **Data Sources and Quality**

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The primary source of data for this bulletin is the Court Proceedings Database which is supplied to the Sentencing Council by the Ministry of Justice who obtain it from a variety of administrative data systems compiled by courts and police forces.

Every effort is made by the Ministry of Justice and the Sentencing Council to ensure that the figures presented in this publication are accurate and complete. Although care is taken in collating and analysing the returns used to compile these figures, the data are of necessity subject to the inaccuracies inherent in any large-scale recording system. Consequently, although numbers in tables and charts are shown to the last digit in order to provide a comprehensive record of the information collected, they are not necessarily accurate to the last digit shown.

Further details of the processes by which the Ministry of Justice validate the records in this database can be found within the guide to their Criminal Justice Statistics publication which can be downloaded at:

<https://www.gov.uk/government/organisations/ministry-of-justice/series/criminal-justice-statistics>

## Other sources of data on fraud offences

There were two replies to parliamentary questions to which we had regard in devising the corporate fraud guideline:

In a response to a parliamentary question it was confirmed that when Her Majesty's Revenue and Customs investigate a company for tax evasion with a view to prosecution, it will pursue the officers of that company rather than the company itself and that the majority of tax evasion cases are dealt with using civil settlement remedies. The parliamentary question and response can be accessed via the following link:

<http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130114/text/130114w0005.htm>

In a response to a parliamentary question details were given of all fines and civil recovery orders in cases brought by the Serious Fraud Office since 2008. The parliamentary question and response can be accessed via the following link:

<http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm121211/text/121211w0001.htm#12121178000010>

## Background Information

The Ministry of Justice publishes a quarterly statistical publication, Criminal Justice Statistics, which includes a section focusing on sentencing data at national level. This section breaks down the data by offence group and by demographic factors such as age, gender and ethnicity. The full publication can be accessed via the Ministry of Justice website at:

<https://www.gov.uk/government/organisations/ministry-of-justice/series/criminal-justice-statistics>

Detailed sentencing data from the Ministry of Justice's Court Proceedings Database can be accessed via the Open Justice website at:

<http://open.justice.gov.uk/sentencing/>

This website allows the data to be viewed by offence category, local police force area and sentencing court. The offence categories used on this website are consistent with those used by the Ministry of Justice in their Criminal Justice Statistics publication.

Further information on general sentencing practice in England in Wales can be found on the Council's website or at the Ministry of Justice website at:

<http://www.justice.gov.uk/>

Alternatively, you may wish to visit the sentencing area on the Direct.gov website, which can be accessed at:

<http://sentencing.cjsonline.gov.uk/>

## Uses Made of the Data

Data provided in the Council's range of analysis and research bulletins are used to inform public debate of the Council's work. In particular, this bulletin aims to provide the public with the key data that the Council has used to help formulate the draft guideline on fraud offences.

## Contact Points for Further Information

We would be very pleased to hear your views on our analysis and research bulletins. If you have any feedback or comments, please send them to:

[research@sentencingcouncil.gsi.gov.uk](mailto:research@sentencingcouncil.gsi.gov.uk)

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Further information on the Sentencing Council and their work can be found at:

<http://sentencingcouncil.org.uk>