

Chair  
Cabinet Social Policy Committee

## **Whole-of-Government Action Plan to Reduce the Harms Caused by New Zealand Adult Gangs and Transnational Crime Groups**

### **Proposal**

1. I seek Cabinet's approval for a whole-of-government action plan to reduce the harms caused by adult gangs and transnational crime groups in New Zealand.
2. While this piece of work does stand alone, the family violence component of the action plan has close connections with three papers addressing domestic and family violence to be considered by the Cabinet Social Policy Committee on 18 June 2014.

### **Executive Summary**

3. New Zealand has a complex gang problem that spans social, economic and justice issues. Adult gangs and transnational crime groups create disproportionate harm in New Zealand. While overall crime is trending downwards, serious offending by adult gang members increased by 15 percent in 2013.
4. Almost half of the serious offences committed by gang members are family violence related. A high proportion of gang members' children experience multiple incidents of abuse or neglect.
5. Historical responses to adult gangs and transnational crime groups have produced successful operations, but these groups have continued to expand and adapt.
6. This paper outlines a comprehensive, multi-agency approach to the harms caused by New Zealand adult gangs and transnational crime groups. This approach encompasses a range of prevention and law enforcement actions that would be supported by comprehensive cross-government information and a strengthened legislative toolkit.
7. Four initiatives are proposed for a whole-of-government action plan. These are:
  - the creation of a multi-agency **Gang Intelligence Centre** to provide a combined intelligence picture of gang activity, inform decision making on preventative, investigative and enforcement interventions, and identify vulnerable children, youth and gang family members for social service support
  - **Start at Home**: a programme of social initiatives to support gang members and their families to turn away from the gang lifestyle, and reduce the likelihood of young people joining gangs
  - establishment of two multi-agency **Dedicated Enforcement Taskforces**: one to strengthen border protection to target drug trafficking networks and restrict international gang travel, and one to strengthen asset recovery efforts and prevent and target financing of crime and profit received from crime

- work to ensure that the **Legislative Toolkit** enables law enforcement agencies to appropriately target cash acquired illegally, better detect, investigate and prosecute organised crime, monitor gang offenders on release from prison, and manage risk to keep communities safe.
8. The approach is designed to directly contribute to the achievement of the Better Public Service targets to boost skills and employment, support vulnerable children and reduce crime.
  9. This action plan is consistent with and supports whole-of-government work in other portfolios, including the Minister of Justice's paper on the *Stronger Response to Domestic Violence*, the Associate Minister of Social Development's papers on *Family Violence: Achieving Intergenerational Change* and *Government Response to the Report of the Expert Advisory Group on Family Violence*, the Minister of Corrections' paper on *Progressing the Sentencing (Electronic Monitoring) Amendment Bill*. It also aligns with the Youth Crime Action Plan, Social Sector Trials and the All-of-Government Response to Organised Crime.
  10. Most actions are intended to be delivered through existing programmes. I am seeking in principle support for the action plan, subject to funding sources being identified where proposals cannot be met within agency baselines or through existing programmes. s9(2)(f)(iv) of OIA
  11. The action plan will be implemented in two parts. The first part would be implemented by December 2015. The second part will commence in February 2015, with a completion date to be determined through detailed design work.
  12. Governance arrangements that encompass social, justice, border control and tax sectors will be confirmed in the planned December 2014 report back to Cabinet on the legislative proposals. Governance arrangements in the interim period will remain as Cabinet directed [SOC Min (13) 20/6].

## Background

13. In June 2013, the Cabinet Strategy Committee (STR) invited me, in consultation with other relevant Ministers (including Social Sector Ministers), to report back to the Cabinet Social Policy Committee (SOC) in due course with:
  - high-level proposals that will make a real difference in reducing the influence of gangs in New Zealand; and
  - recommendations on a proposed fusion centre that would enable agencies to combine intelligence to allow better targeting and co-ordinating activities focused on gangs [STR Min (13) 3/1].

## New Zealand Adult Gang and Transnational Crime Group Environment

14. Organised crime in New Zealand can be categorised into three groups (excluding youth gangs): ethnic gangs of New Zealand origin, outlaw motorcycle gangs and transnational crime groups.<sup>1</sup> These groups commit or cause others to commit a

<sup>1</sup> **Ethnic gangs of New Zealand origin:** Mongrel Mob, Black Power, King Cobra, Aotearoa Natives, Tribal Huk, Ngaruawahia Huk, Nomads, Stormtroopers. **Outlaw Motorcycle Gangs:** Bandidos MC, Devils Henchman MC, Epitaph Riders MC, Filthy Few MC, Forty Fives MC, Greasy Dogs MC, Head Hunters MC, Hells Angels MC, Highway 61 MC, Huhu MC, Lone Legion, Lost Breed, Magog MC, Mothers MC, Outcasts MC, Outlaws MC,

significant volume of crime, particularly serious crime, resulting in a large number of victims (and repeat victims). They are responsible for causing a disproportionate amount of harm to families and communities.

15. Members of ethnic gangs of New Zealand origin and outlaw motorcycle gangs comprise 0.1 percent (4,000 people) of the population aged 17 and over, however in 2013 were responsible for 25 percent of homicide charges and in the first quarter of 2014 have been charged with:
  - 34 percent of class A/B drug offences
  - 36 percent of kidnapping and abduction offences
  - 25 percent of aggravated robbery / robbery offences
  - 26 percent of grievous assault offences.
16. Re-offending rates are high, with ethnic gangs of New Zealand origin and outlaw motorcycle gang members re-offending at twice the rate of non-gang members and with increased seriousness. While overall crime is trending downwards, serious offending by gang members increased by 15 percent in 2013. There is a strong link between being born into a gang family and transitioning from juvenile and youth offending, and juvenile and youth gangs to adult offending and adult gangs.
17. United Nations reports on the rights of children have been critical of New Zealand's position relating to child abuse and poverty, both of which are associated with ethnic gangs of New Zealand origin. Five out of nine child deaths in New Zealand between 2009 and 2012 involved stepfathers with gang connections. Approximately three-quarters of children from a 2013 sample of 50 gang members experienced child abuse or neglect, with substantiated multiple findings common. Children of gang families are often found in drug houses (children were found at 33 percent of all drug dealing houses uncovered in 2013).
18. Almost half of the serious offences by ethnic gangs of New Zealand origin and outlaw motorcycle gang members are family violence related.<sup>2</sup> Wives, girlfriends and female associates of gang members are at significantly higher risk of family and sexual violence, including multiple assaults with potentially severe consequences. For example, five out of ten female family violence victims who killed their abusive male partners (2009 - 2012) had gang connections. A further four deaths occurred within a gang context. Women who have experienced sexual violence are at a severely heightened risk of repeat sexual victimisation and vulnerability to other forms of violence across their life course.

19. Additional social and justice sector harms are summarised in the following table:

Social Sector	Justice Sector
61% of gang children grow up in single parent families 74%* of gang children have been abused or neglected by any person on multiple occasions 51%* of gang members leave school at age 16 or younger, with no or minimal qualifications	Gang members comprise 0.1% of the general population aged 17 years and over, however are responsible for significant volumes of crime: <ul style="list-style-type: none"> <li>• average 53 offences over their lifetime</li> <li>• the 50 gang members with the highest number of charges average 229 charges each</li> </ul>

Rebels MC, Red Devils, Road Knights MC, Satan Slaves MC, Southern Vikings MC, Taupiri MC, Tribesmen MC, Tyrants MC. **Transnational crime groups:** for example, Asian, Iranian and Israeli Organised Crime Groups.

<sup>2</sup> Offences where the penalty is over 10 years imprisonment and family violence offences

Social Sector	Justice Sector
<p>55% of gang members are dependent on welfare</p> <p>High costs for mental health, addiction and hospital services for gang members*</p> <p>61% have outstanding child support owing</p> <p>33% are registered for Working for Families (compared to 10% of the general population)</p>	<ul style="list-style-type: none"> <li>14% of their identified offending is serious</li> </ul> <p>Significant costs to prisons of \$112.7 million per annum</p> <p>*2013 sample of 50 gang members</p>

20. Less information is available on the cost of harm associated with transnational crime groups in New Zealand. Transnational crime groups dominate the market in the illicit importation of methamphetamine precursors. The involvement of organised crime groups in methamphetamine manufacture is significant with 71 percent of clan labs having an identifiable organised crime link. In recent years, the involvement of Asian Organised Crime groups in manufacturing has increased, possibly a reflection of these groups wanting to be more self-sufficient in the methamphetamine supply chain to increase their profits.
21. Reasons why individuals join organised crime groups can be wide-ranging. These include influence of family members, gangs providing a sense of identity and protection, a way to make money, develop networks to facilitate crime and acquire access to resources. Depending on the individual and the type of gang, some factors provide greater motivation for membership than others. For example, members of ethnic gangs of New Zealand origin are more likely to be part of the gang lifestyle through familial links. Profit is a key motivator particularly for outlaw motorcycle gangs and transnational crime groups, whose offending is primarily associated with criminal enterprises. Each gang type is summarised below:

Ethnic Gangs of NZ origin	Outlaw Motorcycle Gangs	Transnational Crime Groups
<ul style="list-style-type: none"> <li>dysfunctional, intergenerational family groups</li> <li>predominantly Māori</li> <li>strong geographic ties to certain location</li> <li>membership strongly connected with poor social and economic outcomes (poor rates of educational achievement, poor health outcomes and high rates of unemployment and child abuse and / or neglect)</li> <li>high rates of criminal offending, including retaliatory offending between gangs and family violence</li> </ul>	<ul style="list-style-type: none"> <li>hierarchically structured groups who see themselves as “outside the law”</li> <li>different levels of sophistication and capability, determined by their leadership, global links and the availability of resources</li> <li>use violence to create an atmosphere of fear and intimidation in communities</li> <li>increasingly operating criminal enterprises facilitated by abuse of the financial system, use of legitimate businesses and associations with gatekeeper professionals</li> </ul>	<ul style="list-style-type: none"> <li>flexible, dynamic, and innovative</li> <li>predominately Asian</li> <li>resilient networks that exist solely for the purpose of making profit through committing serious crime</li> <li>international networks and a concealed mode of operating</li> <li>make use of complex business structures and legitimate businesses</li> <li>commonly recruit or exploit outsiders with specialised skills to facilitate and finance their organised criminal activity and enterprises</li> </ul>

## Response to Organised Crime

22. New Zealand's historical response to adult gangs has been focused mainly on criminal offending rather than social harms. Previous responses have involved individual agencies trying to tackle specific issues in isolation, such as the manufacture and supply of drugs or establishing work schemes. While there have been successful operations targeting outlaw motorcycle gangs and transnational crime groups, these groups have continued to expand and adapt. Ethnic gangs of New Zealand origin continue to expand through intergenerational membership.<sup>3</sup>
23. Successful approaches to gangs in other countries such as the United States are multi-disciplinary and comprehensive, directed at preventing social harms as well as reducing criminal offending. The programmes consist of practical initiatives in some or all of the following areas: awareness raising, prevention, intervention, enforcement and rehabilitation and re-integration of gang-affiliated prisoners back into the community. These programmes are supported by clear evidence of the problems and harms caused by gangs. Responses are flexible and targeted to specific gang-connected populations: children and young people, indigenous populations, young adults and adults, while at the same time maintaining the laws of society.
24. New Zealand's response to youth gangs in South Auckland has achieved successes in improving outcomes for young people. It has followed a similar comprehensive and coordinated approach involving government working in partnership with non-government agencies, communities, and local government. The programme has delivered a range of prevention, intervention and enforcement activities to address the social causes and consequences of criminal offending. This approach was supported by a shared understanding of the issues and the actions to address them.
25. We have been moving towards a multi-agency approach to criminal offending by adult gangs and transnational crime groups through the All-of-Government Response to Organised Crime and the Organised and Financial Crime Agency New Zealand. These approaches target high-level criminal offending by organised crime groups, specifically targeting bribery and corruption, money-laundering and international financial transactions. Their scope however does not treat the social issues of gang membership or criminal offending.
26. The table below summarises the issues with New Zealand's current response to adult gangs and transnational crime groups, and signals areas for proposed action covered in further detail later in this paper:

Issue	Characteristics of successful interventions	Proposed action
Single agency view of harm resulting in siloed approach  Lack of coordination and prioritisation across the justice, social and border control sectors on gang harms	Multi-agency information sharing to: <ul style="list-style-type: none"> <li>• develop real-time, single-client view, also identifying key relationships, facilitators and networks</li> <li>• produce intelligence product to inform decision-makers</li> </ul>	Establish Gang Intelligence Centre to: <ul style="list-style-type: none"> <li>• improve national picture of gangs and transnational crime</li> <li>• produce intelligence products to inform prevention, intervention and law enforcement responses</li> </ul>

<sup>3</sup> Over the last four years, two international outlaw motorcycle gangs (Bandidos and Rebels) have established a presence in New Zealand. In 2013, at least one new chapter of the Mongrel Mob was established in the North Island. In the 18 months since the 2012 national collection of ethnic gangs of New Zealand origin and outlaw motorcycle gang members, 400 names have been added.

Issue	Characteristics of successful interventions	Proposed action
	<ul style="list-style-type: none"> <li>enable co-ordinated and comprehensive action</li> </ul>	<ul style="list-style-type: none"> <li>identify vulnerable children, youth and gang members for social service support</li> </ul>
<p>Intergenerational social issues, for example:</p> <ul style="list-style-type: none"> <li>Family violence</li> <li>Unhealthy lifestyles</li> <li>Unemployment</li> <li>Low educational achievement</li> </ul> <p>Communities feeling unsafe due to fear and intimidation, and exposure to violence and drugs</p>	<p>Multi-agency programme:</p> <ul style="list-style-type: none"> <li>targeted to specific gang-connected populations: children and young people, indigenous populations, young adults and adults</li> <li>identifies appropriate intervention points</li> <li>identifies key agency leads</li> <li>responds to key risk factors</li> </ul>	<p>Start at Home programme:</p> <ol style="list-style-type: none"> <li>work with communities to build resilience, reduce gang tension and prevent crime</li> <li>reduce family violence</li> <li>undertake scoping and development work to identify how to work with gang families to: <ul style="list-style-type: none"> <li>reduce intergenerational involvement in gangs and the likelihood of young people joining gangs</li> <li>improve access and services to treat mental health issues and alcohol and drug dependencies in gang families</li> <li>improve outcomes for children of gangs members who are in prison</li> <li>connect with existing educational, skills and employment opportunities for gang members and their families</li> </ul> </li> </ol>
<p>Increased sophistication in moving, concealing and increasing illicit funds</p> <p>Frequent travel to high-risk countries to set up networks for supply and distribution of illicit commodities</p> <p>Expansion of overseas gangs into NZ (e.g. Rebels and Bandidos)</p>	<p>Flexible, timely action to respond to changing environment and increasing levels of sophistication e.g. inter-agency and international information sharing, increasing focus on tainted assets and recovery</p>	<p>Dedicated law enforcement taskforces to:</p> <ul style="list-style-type: none"> <li>prevent New Zealand gang members travelling to high-risk drug-source countries</li> <li>prevent foreign gang members entering New Zealand</li> <li>target criminal financing, profits and facilitators</li> <li>identify future risk areas</li> <li>undertake joint criminal proceeds action</li> </ul>
<p>s6(c) and s9(2)(g)(i) of OIA</p> <p>the risk posed by the most serious gang offenders having ready access to illicit firearms</p> <ul style="list-style-type: none"> <li>s6(c) and s9(2)(g)(i) of OIA</li> </ul>	<p>Ensure toolkit includes appropriate tools to respond to current and emerging threats to:</p> <ul style="list-style-type: none"> <li>enable swift and proportionate actions</li> <li>enable targeting of assets</li> <li>better manage high risk individuals</li> </ul>	<p>Undertake policy work to consider how the law enforcement toolkit can be strengthened</p>

## Building on existing initiatives

27. The whole-of-government action plan on gangs is consistent with and supports work in other portfolios, including the Minister of Justice's paper on a *Stronger Response to Domestic Violence*, the Associate Minister of Social Development's papers on *Family Violence: Achieving Intergenerational Change* and *Government Response to the Report of the Expert Advisory Group on Family Violence*, and the Minister of Corrections' paper on *Progressing the Sentencing (Electronic Monitoring) Amendment Bill*. The action plan on gangs also aligns with the Youth Crime Action Plan, Social Sector Trials and the All-of-Government Response to Organised Crime.
28. Other programmes that work with vulnerable families and communities or target organised crime groups include Whānau Ora, the Methamphetamine Action Plan, Welfare Fraud Collaborative Programme, the Organised and Financial Crime Agency New Zealand, the Department of Corrections Approach to Reducing Re-offending by Offenders with Gang Connections, National Drug Policy and the Children's Action Plan.
29. It is anticipated that existing programmes already provide services to high-risk gang individuals and families, or target the criminal offending by gang or transnational crime group members. A particular focus of the wider social sector is on reducing family violence. Many women connected with gangs also have significant alcohol and drug or mental health issues that need to be treated at the same time as family violence if lasting change is to be achieved. There are also particular and unique safety concerns in supporting family violence victims in the gang environment.
30. In developing this action plan on adult gangs and transnational crime groups the scale of gang issues has been highlighted. There is potential for existing prevention, wrap-around and law enforcement responses to be better informed on gang issues. This would support a more coordinated effort to address the gang harms and provide a clearer direction for multi-agency intervention to ensure that services reach those who most need them and that government funding gets better results. Officials will continue to work together closely to ensure an integrated response.
31. The actions contained in this paper are designed to directly contribute to the achievement of the Better Public Service key result areas to boost skills and employment, protect vulnerable children and reduce crime. Subject to Cabinet's approval, Police will work with agencies to develop an outcomes and performance monitoring framework as part of the implementation of the action plan. Specific measures will be developed that feed directly into Better Public Service results.

## Whole-of-Government Action Plan

32. Four initiatives are proposed to form the whole-of-government action plan. These initiatives directly address the different motivators and harms, are designed to improve our knowledge of and response to gangs, improve across-government coordination of service delivery and deliver a more effective law enforcement approach. These are:
  - the creation of a multi-agency **Gang Intelligence Centre** to provide a combined intelligence picture of gang activity, inform decision making on preventative, investigative, and enforcement interventions, and identify vulnerable children, youth and gang family members for social service support





Action	Part 1	Part 2
<b>Start at Home</b> (Police for Part 1) (Part 2 – for further discussion)	Summer Night Lights (Police) Supporting female intimate partner violence victims (Justice) Community garden concept (Police) Gang prisoner reintegration programmes, including women offenders with gang connections (Corrections)	Undertake scoping and development work to: <ul style="list-style-type: none"> <li>• reduce intergenerational involvement in gangs and the likelihood of young people joining gangs</li> <li>• improve access and services to treat mental health issues and alcohol and drug dependencies in gang families</li> <li>• improve outcomes for children of gangs members who are in prison</li> <li>• identify how existing youth skills and employment programmes can be accessed and delivered for gang members and their families, including connecting with educational and employment opportunities</li> </ul>
<b>Dedicated Law Enforcement Taskforces</b> (Police lead)	Outlaw Motorcycle Gang Taskforce: Police, Customs, Business, Innovation and Employment (Immigration) Criminal Asset Confiscation Taskforce: Police, Inland Revenue - contingent on Approved Information Sharing Agreement	Outlaw Motorcycle Gang Taskforce: explore opportunities to include international counterparts Criminal Asset Confiscation Taskforce: explore opportunities to include Internal Affairs and Business, Innovation and Employment (Immigration)
<b>Legislative Toolkit</b> (Justice and Police lead)	Firearm Prohibition Orders Interim Freezing Orders (money in bank accounts) Interim Freezing Orders (cash) Unexplained wealth laws GPS monitoring of offenders (Corrections)	Covert operations s6(c) and s9(2)(g)(i) of OIA (Inland Revenue)

### **Gang Intelligence Centre**

40. Successful achievement of the Better Public Service targets requires agencies to share information to improve understanding of key issues and identify intervention points that inform cost-effective service delivery. Initiatives already benefiting from this approach include the Centre for Road Safety Intelligence, Centre for Impact on Sexual Offending and the National Drug Intelligence Bureau.
41. It is proposed that a Gang Intelligence Centre be established to achieve a similar shared intelligence approach to identify, analyse and manage harm in relation to all gang types. The Centre would improve coordination of information about adult gangs and transnational crime groups to address the current siloed approach and improve information available to agencies to inform decision-making.
42. The Centre will provide a cross-government, real-time, single view of an organised criminal group member or prospect. Over time, it would also allow relationships between gang members and other individuals to be mapped, including potential victims. Decision-makers and practitioners would get the information they need to determine the appropriate social and/or law enforcement interventions, priority actions and delivery mechanisms.
43. The Centre would sit within the Police National Intelligence Centre, as Police has the infrastructure in place to host and serve external agencies. Links will be made with existing intelligence hubs in the Police National Intelligence Centre.

Implementation will be phased to test its operational and governance structures, develop intelligence products and to phase in resourcing.

44. Part one of the action plan intends to bring together agencies already hosted in the National Intelligence Centre (Corrections, Customs, Immigration and Internal Affairs). The Ministry of Social Development has indicated that welfare fraud information could be included in this stage and this is subject to further discussion.
45. Part two of the action plan would look to include tax and social sector information through bringing in Inland Revenue, the Ministries of Social Development, Education and Health, Housing New Zealand and the Accident Compensation Corporation. This will require working through what is required for agencies to fully participate, including the ability to share information and privacy issues.
46. To participate in the Centre, Inland Revenue requires the ability to share information with agencies other than Police. s6(c) and s9(2)(g)(i) of OIA

This, and other information sharing arrangements including privacy and ethical considerations, will be addressed through the implementation stage. Police would also work with the Office of the Privacy Commissioner on privacy considerations.

### **Start at Home**

47. Achieving sustainable reductions in harm requires initiatives that address the intergenerational nature of ethnic gangs of New Zealand origin and are directed at improving social outcomes. I propose a programme that:
  - helps young people at risk of joining gangs to reach their potential outside of a gang
  - provides alternatives to gang lifestyle for gang-connected families
  - reduces victimisation and violence in gang families
  - builds resilience in communities with a large gang presence.
48. The Ministry of Social Development would have a role in reporting back to Ministers and / or leading parts of the Part 2 actions. Contribution by agencies would be subject to further discussion.
49. The Start at Home programme is outlined below:

PART 1			
Programme	Objective	Key Features	Contributing Agencies
<b>Summer Night Lights (Police lead)</b>	Reduce gang tensions, improve community safety and reduce crime	A series of community events that includes a wide range of recreational activities and access to resources, such as food, clothing, health and educational services	Health, Education, Social Development, Housing NZ, Corrections, local government, community providers, Iwi

PART 1			
Programme	Objective	Key Features	Contributing Agencies
<b>Support for women who are victims of intimate partner violence (Justice lead)</b>	Reduce family violence and provide women with options and responses	Determine how the Minister of Justice's "A Stronger Response to Domestic Violence" responds to domestic violence issues for gang women	Police, Social Development
<b>Replicate Gisborne community garden (Police lead)</b>	Support access to education, budgeting and other social services to build self-esteem, skills, income-generating initiatives and connection with communities. Provides mentoring opportunity	Volunteer workers, security of land tenure and financial support, community education, long-term planning. Communities and local government involved in design and planning	Housing New Zealand, Te Puni Kōkiri, Justice, Iwi and local businesses
<b>Gang prisoner reintegration programmes, including women offenders with gang connections (Corrections lead)</b>	Provide support for gang members to adopt an alternative lifestyle, often in new locations.  Provide safety planning and support for women with gang connections at risk of family violence on release from prison	Prisoner rehabilitation and reintegration programmes, link with violence and addiction services, and facilitate access to housing, training, education, and employment	Housing New Zealand, Health, Social Development, Business, Innovation and Employment, Education, Police

PART 2			
Programme	Objective	Key Features	Contributing Agencies
<b>Reduce the intergenerational involvement in gangs and the likelihood of young people joining gangs (lead to be determined)</b>	Break the intergenerational cycle of gang offending  Reduce re-offending  Prevent transition to adult offending and adult gangs	Ministry of Social Development and relevant agencies to report back to Ministers by July 2015	Justice, Social Development  To be delivered through the Youth Crime Action Plan
<b>Improve outcomes for children of gangs members who are in prison (lead to be determined)</b>	Turn young people away from a gang lifestyle of offending	Ministry of Social Development and relevant agencies to report back to Ministers by July 2015	Corrections, Justice, Social Development, Police, Education, Iwi
<b>Improve access and services to treat mental health issues and alcohol and drug dependencies in gang families (lead to be determined)</b>	Improve health and well-being	Ministry of Social Development and relevant agencies to report back to Ministers by July 2015	Health, Social Development

PART 2			
Programme	Objective	Key Features	Contributing Agencies
<b>Connecting with educational, skills and employment opportunities</b>	Provide employment opportunities	Ministry of Social Development and relevant agencies to report back to Ministers by July 2015	Social Development, Te Puni Kōkiri, Education

### ***Dedicated enforcement taskforces***

50. Law enforcement agencies require a range of tools that effectively disrupt the ability of outlaw motorcycle gangs and transnational crime groups to operate in New Zealand. To effectively combat these networks, information needs to be acted on in a timely and flexible way. This is why I recommend the establishment of two dedicated, permanent taskforces; a border protection taskforce and a criminal asset confiscation taskforce that would have the resources to act on information provided by the Gang Intelligence Centre.
51. I propose that both the Outlaw Motorcycle Gang Border Protection Taskforce and the Criminal Asset Confiscation Taskforce be run out of the Organised and Financial Crime Agency New Zealand (OFCANZ). OFCANZ already has the mandate to prevent and disrupt organised crime through multi-agency action and can call on resources from domestic and overseas partners.

Taskforce	Objective	Key Features
<b>Outlaw Motorcycle Gang Border Protection Taskforce</b>  Part 1: Police, Customs and the Immigration arm of the Ministry of Business, Innovation and Employment  Part 2: explore opportunities to involve international counterparts	Better coordination of activities to: <ul style="list-style-type: none"> <li>• stop new gangs entering New Zealand</li> <li>• prevent the spread of existing gangs</li> <li>• protect New Zealand from the trafficking of drugs, arms and other illegal commodities.</li> </ul>	Work with the Customs-owned Integration Targeting and Operations Centre and the Police National Command Centre.  Explore opportunities to formalise existing arrangements between these agencies, and with their international counterparts  Further design work required including identification of any legislative and operational requirements.
<b>Criminal Asset Confiscation Taskforce</b>  Part 1: Inland Revenue and Police  Part 2: Explore opportunities to involve the Department of Internal Affairs and the Ministry of Business Innovation and Employment	Enable flexible and timely joint criminal proceeds recovery action  Prevent and target financing of crime and profit received from crime	Requires Police / Inland Revenue Approved Information Sharing Agreement (being progressed).  Further design work required including identification of any legislative and operational requirements

52. Expansion of the criminal asset confiscation taskforce envisages sharing of Inland Revenue information with agencies other than Police. Like the Gang Intelligence Centre, [REDACTED] s6(c) and s9(2)(g)(i) of OIA [REDACTED]

## ***Legislative Toolkit***

53. New Zealand's legislation in response to organised crime is relatively robust. It will be enhanced by the Organised Crime and Anti-Corruption Legislation Bill, which is currently priority five on the Legislative Programme and is intended to be introduced into Parliament before the House rises at the end of July 2014. More can be done to disrupt and obstruct criminal activity by gangs and better enable the investigation of organised crime.

### ***Firearms Prohibition Orders***

54. Police intelligence indicates that organised criminal groups have ready access to firearms, including restricted weapons such as pistols. The illicit nature of these weapons means that crime statistics do not identify the full scale of this problem. Firearms are regularly found in operations targeting gangs, with 571 firearms found in 283 methamphetamine laboratories between 2003 and 2011. Gangs use these weapons for inter- and intra-gang warfare, threats, intimidation and protection.

55. New Zealand is yet to experience the scale of armed gang offending that occurs in Australia. However, the use of firearms by gangs is becoming more prevalent and there is a risk of escalation given the availability of illicit firearms to gangs and the scale of their criminal activities. Current penalties and powers do not deter gang members from obtaining and possessing firearms illegally.<sup>4</sup> s6(c) and s9(2)(g)(i) of OIA

56. Several Australian states have introduced Firearms Prohibition Orders (FPOs) to manage the risk posed by the most serious gang offenders. FPOs are issued by the Commissioner of Police when it is in the public interest that an individual be prohibited from possessing a firearm. A person subject to a FPO faces heavy penalties for possessing or obtaining firearms, cannot knowingly be in the company of persons with a firearm, and cannot reside at a location where there are firearms. There are also heavy penalties for knowingly supplying an individual subject to an FPO with a firearm. In New South Wales, these penalties range from five to 14 years imprisonment depending on the type of weapon. A person subject to an FPO in New South Wales is able to be searched without warrant for the purpose of verifying compliance with the order.

57. FPOs would have a strong deterrent and disruptive effect, and better enable Police to manage the risk posed by serious gang offenders. Given the restrictions FPOs place on liberty, issues under the New Zealand Bill of Rights Act 1990, in particular sections 17, 18 and 21, which affirm the rights to freedom of association, freedom of movement and to be secure against unreasonable search and seizure need to be carefully considered in the design of the provisions to ensure consistency with the New Zealand Bill of Rights Act 1990. FPOs would be only used in serious cases where the restrictions are proportionate to risk and would need to be subject to appropriate safeguards and monitoring, s9(2)(f)(iv) of OIA

I recommend that officials be

<sup>4</sup> Almost no gang members have a Firearms Licence. Penalties for possessing a firearm without a licence are up to 3 months imprisonment or \$1,000, or 3 years or \$4,000 for a restricted weapon. This penalty increases to 1 year or \$4,000 when the person's licence has been revoked. Police can seek a search warrant for any vehicle or place where they reasonably suspect that a person is in possession of a firearm without a licence.

directed to provide advice to Cabinet on options in regard to FPOs, including a preferred option, by December 2014.

*Interim Freezing Orders – money in bank accounts*

58. International cooperation is a key part of efforts to combat organised crime. At present a key mechanism for facilitating international cooperation is a Foreign Mutual Legal Assistance request, which may include searching for, seizing, and forfeiting the proceeds of crimes committed in other jurisdictions.

59. New Zealand law allows foreign countries to formally request the Attorney-General to obtain interim restraining orders for tainted property located in New Zealand.  
s6(c) and s9(2)(g)(i) of OIA

60. The Law Commission is currently undertaking a review of New Zealand's mutual legal assistance framework.  
s6(c) and s9(2)(g)(i) of OIA

It may be possible for the Commission to bring forward that aspect of its review. If the Commission is unable to do so, I recommend that this work is progressed under this action plan. I also recommend that officials be directed to provide advice to Cabinet on any Law Commission recommendation on interim freezing orders or on policy options, including a preferred option, by December 2014.

*Interim Freezing Orders – cash*

61. s6(c) and s9(2)(g)(i) of OIA

62. s6(c) and s9(2)(g)(i) of OIA

Such a power has the potential to impact on legitimate activities (including legitimate business practices) and will need to be carefully considered in the design of the provisions to ensure consistency with the New Zealand Bill of Rights Act 1990, in particular section 21, which affirms the right to be secure against unreasonable search and seizure. Appropriate

safeguards, which could include clear and objective grounds for the exercise of the power, [REDACTED] s6(c) of OIA [REDACTED]

63. I recommend that officials be directed to provide advice to Cabinet on options, including a preferred option, by December 2014. [REDACTED] s9(2)(g)(i) of OIA [REDACTED]

64. Several Australian states have introduced unexplained wealth laws, where those convicted of drug trafficking or similar offences can be required to demonstrate that wealth was acquired by legal means. These provisions are similar to provisions in New Zealand's Criminal Proceeds (Recovery) Act 2009, although some go further by removing any burden on the State to prove that wealth is connected with criminal activity. [REDACTED] s9(2)(g)(i) of OIA [REDACTED]

#### *Other issues*

65. The deployment of undercover officers to approved covert operations and the use of informants are valuable and effective tools for fighting serious crime committed by gangs and transnational crime groups. It enables Police to obtain evidence or to gather intelligence [REDACTED] s6(c) of OIA [REDACTED]

66. There are currently barriers that impact the effectiveness of approved covert operations and the safety of undercover officers. For example:

- an undercover officer can only give evidence in court with anonymity for offences with a penalty of at least 7 years imprisonment [REDACTED] s9(2)(g)(i) of OIA [REDACTED]

- [REDACTED] s6(c) and s9(2)(g)(i) of OIA [REDACTED]

67. I have directed Police officials to explore the issues relating to covert operations, including recommended options, and report back to me by July 2015.

68. Organised criminal groups use complex business structures to facilitate and conceal illegal activity, particularly money laundering. To effectively prevent, detect and investigate serious crimes of this kind, Police and Inland Revenue need to be able to share relevant information [REDACTED] s6(c) and s9(2)(g)(i) of OIA [REDACTED]

s6(c) and s9(2)(g)(i) of OIA

69. Drug trafficking within New Zealand is largely undetected and involves the movement of illicit drugs, particularly methamphetamine, from the North Island to the South Island of New Zealand. s9(2)(g)(i) of OIA

70. s9(2)(g)(i) of OIA

71. The Ministry of Justice is leading work on a second tranche of anti-money laundering and countering financing of terrorism reform s9(2)(g)(i) of OIA  
This aims to address key money laundering channels not currently subject to the Anti-Money Laundering and Countering Financing Act 2009. The proposed reforms would provide for supervision, detection and reporting obligations, similar to those placed on financial institutions, for gatekeeper professionals and businesses dealing in key assets abused by criminal financiers. These reforms would support the gang action plan.
72. The Department of Corrections is progressing work to identify opportunities where electronic monitoring can assist in the safe management of offenders in the community, including proposals to require high-risk offenders to submit to electronic monitoring. The driver of this work is to fill the gaps in electronic monitoring by targeting gangs, family violence offenders and sex offenders. This would help to further improve the management of gang members, who reoffend at twice the rate of non-gang members. The vehicle for these amendments would be the Sentencing (Electronic Monitoring) Amendment Bill, for which the Minister of Corrections has successfully bid, and will complement the initiatives set out in this paper.

### **Governance arrangements**

73. This is a whole-of-government action plan that includes a range of activities across the social, criminal justice, border and tax sectors. This requires a governance structure that provides oversight of the action plan to ensure coordination is achieved and that results are delivered.
74. Officials are currently working on developing a governance structure that covers all relevant sectors and uses existing governance forums. Governance arrangements will be confirmed in the planned December 2014 report back to Cabinet on the legislative proposals. Governance arrangements in the interim period will remain as Cabinet directed [SOC Min (13) 20/6].



## Next Steps

75. I have directed Police officials to work with lead agencies to complete the detailed design work for the two parts of the action plan.
76. In September 2013 I indicated I would be talking to specific communities to better understand gang-related issues, and opportunities for change, at the local level. Discussion with communities will take place through the Start at Home actions.

## Consultation

77. The Treasury, Crown Law Office, Inland Revenue, New Zealand Customs Service, Department of Internal Affairs, Department of Corrections, Ministry of Business, Innovation and Employment, Ministry of Education, Ministry of Health, Housing New Zealand, Ministry of Justice, Te Puni Kōkiri, Accident Compensation Corporation, the Ministry of Social Development, the Ministry of Women's Affairs and the State Services Commission have been consulted on the proposals contained in the paper. The Department of the Prime Minister and Cabinet has been informed.

### *Inland Revenue comment*

78. Inland Revenue is committed to helping combat organised crime as demonstrated by the already established information sharing agreement with the Police Asset Recovery unit, the recent work on sharing information related to serious crime with Police (which takes effect in August), and through current work with Police on combined operational activity. We support the direction of the proposals outlined in the paper s6(c) and s9(2)(g)(i)

## Financial Implications

79. Agencies have contributed to the development of the whole-of-government action plan on gangs from within baselines. This arrangement would continue for the design of parts one and two of the action plan.
80. The action plan initiatives are expected in most cases to be met through delivery of existing programmes. Exceptions to this include establishment funding for the Gang Intelligence Centre and the dedicated law enforcement taskforces. As noted above s9(2)(f)(iv) of OIA
81. Existing programmes that work with vulnerable and high-risk families should already be reaching priority gang families for intervention. There is a risk that existing programmes would not be able to absorb an increase in service delivery for gang members and families who are not currently receiving services and are identified through this action plan as high-risk and high priority. There are 4,000 gang members in New Zealand, not of all of who would fall into this category. The risk therefore has been assessed as low probability with low impact. Funding sources for proposals that cannot be met within agency baselines or through existing programmes would be identified through the planning stages.

82. There could be an impact on projected tax revenue through pursuing finance and asset recovery through the Criminal Asset Confiscation Taskforce. The size of this impact is not anticipated to be significant, however trade-offs and impacts would need to be worked through as part of the business case.

### Human Rights

83. Proposals contained in this paper [REDACTED] s9(2)(g)(i) of OIA [REDACTED] need to be evaluated against the New Zealand Bill of Rights Act 1990 to ensure that any eventual provision for these powers in law is both proportionate and reasonable. This work will be a key part of the policy work to be completed. Advice will be sought from the Ministry of Justice on these issues.

### Legislative Implications

84. Several proposals in this paper have legislative implications. Proposed changes have been discussed at a high level with the relevant administrator(s) of the Act(s): the Ministry of Justice and Inland Revenue. Further policy work is required to identify the issues and outline options. If legislative proposals are supported, they will be subject to a further Cabinet paper(s) seeking specific policy approval. A Regulatory Impact Statement would be completed as part of the policy process and the report back on the legislative proposals.
85. [REDACTED] s9(2)(g)(i) of OIA [REDACTED]

### Gender Implications

86. This Cabinet paper has gender implications. The whole-of-government approach to gangs would have a positive impact on women who are connected to gangs. Actions contained in the approach intend to protect family violence victims, provide opportunities to boost skills and employment and connect women with their wider community.

### Disability Perspective

87. This Cabinet paper does not have any disability implications.

### Publicity

88. No publicity is proposed in relation to this paper.

### Recommendations

89. I recommend that the Committee:

*Whole-of-Government Action Plan to Reduce the Harms Caused by New Zealand Adult Gangs and Transnational Crime Groups*

1. **Note** that this Cabinet paper reports back on a proposed whole-of-government action plan to reduce the harms caused by New Zealand adult gangs and transnational crime groups in response to the Cabinet Strategy Committee direction of 10 June 2013 [STR Min (13) 3/1]

2. **Agree in principle**, subject to funding sources being identified where proposals cannot be met within agency baselines or through existing programmes, to the whole-of-government action plan to reduce the harms caused by adult gangs and transnational crime groups in New Zealand, including the four action areas:
  - i. Gang Intelligence Centre
  - ii. Start at Home programme
  - iii. Dedicated law enforcement taskforces
  - iv. Legislative toolkit
3. **Agree in principle**, subject to funding sources being identified where proposals cannot be met within agency baselines or through existing programmes, that the whole-of-government action plan be implemented in two parts as follows:
  - i. Part 1 (to be implemented by December 2015):
    - Gang Intelligence Centre: Police, Corrections, Customs, Business, Innovation and Employment (Immigration), Internal Affairs and, subject to further discussion, Social Development (welfare fraud)
    - Start at Home: Summer Night Lights, safety planning for female intimate partner violence victims, community garden concept, gang prisoner reintegration programmes
    - Dedicated Law Enforcement Taskforces: Outlaw Motorcycle Gang Taskforce (Police, Customs, Business, Innovation and Employment (Immigration), Criminal Asset Confiscation Taskforce (Police, Inland Revenue)
    - Legislative Toolkit: Firearm Prohibition Orders, Interim Freezing Orders (money in bank accounts), Interim Freezing Orders (cash), unexplained wealth laws, GPS monitoring of offenders
  - ii. Part 2 (design work to commence in February 2015)
    - Gang Intelligence Centre: Inland Revenue, Social Development, Education, Health, Housing NZ, Accident Compensation Corporation
    - Start at Home: recidivist youth offenders, mentoring children of gang members while in prison, youth skills and employment programmes
    - Dedicated Law Enforcement Taskforces: Outlaw Motorcycle Gang Taskforce (explore opportunities to involve international counterparts), Criminal Asset Confiscation Taskforce (Business, Innovation and Employment (Immigration), Internal Affairs)
    - Legislative Toolkit s6(c) and 9(2)(g)(i) of OIA
4. **Note** that an outcome and performance framework for the action plan is to be developed by agencies.
5. **Note** that proposals contained in this paper s6(c) and 9(2)(g)(i) of OIA  
 need to be evaluated against the New Zealand Bill of Rights Act 1990 to ensure

that any eventual provision for these powers in law is both proportionate and reasonable.

*Future Report Back*

6. **Agree** that the Law Commission consider as part of its review of the mutual assistance and extradition legislation whether New Zealand's legislative framework should provide for [REDACTED] s6(c) of OIA [REDACTED] and invite the Commission to report on this proposal by November 2014 before its full review is complete in June 2015
7. **Agree** that if the Commission is unable to bring forward its work on interim Freezing Orders (money in bank accounts) this work is progressed under this action plan (Police and Ministry of Justice lead)
8. **Direct** Police and the Ministry of Justice to provide advice to the Cabinet Social Policy Committee by December 2014 on:
  - i. options, including a preferred option, [REDACTED] s9(2)(g)(i) of OIA
  - ii. any Law Commission recommendation [REDACTED] s9(2)(g)(i) of OIA [REDACTED]
  - iii. options, including a preferred option, [REDACTED] s9(2)(g)(i) of OIA [REDACTED]
  - iv. use of unexplained wealth laws in other jurisdictions [REDACTED] s9(2)(g)(i) of OIA [REDACTED]
9. **Agree** that the Ministry of Social Development with relevant agencies (including Justice, Corrections, Health, Education) will report back to relevant Ministers by July 2015 on Part 2 options for:
  - i. reducing the intergenerational involvement in gangs and the likelihood of young people joining gangs
  - ii. improving outcomes for children of gangs members who are in prison
  - iii. improving access and services to treat mental health issues and alcohol and drug dependencies in gang families
  - iv. how existing youth skills and employment programmes can be accessed and delivered for gang members and their families, including connecting with educational and employment opportunities
10. **Agree** that Police will work with relevant agencies and report back to the Minister of Police by July 2015 on issues related to, and options for:
  - i. [REDACTED] s6(c) and s9(2)(g)(i) of OIA [REDACTED]
  - ii. [REDACTED] s6(c) and s9(2)(g)(i) of OIA [REDACTED]

*Governance Arrangements*

11. **Note** that Police would continue to be the overall lead agency for the action plan
12. **Note** that governance arrangements that encompass social, justice, border control and tax sectors would be confirmed in the planned December 2014 report back to Cabinet on the legislative proposals

*Financial Implications*

13. **Note** that agencies have contributed to the development of the whole-of-government action plan within baseline and that most proposals are intended to be delivered within existing programmes. Funding sources would be identified where proposals cannot be met within agency baselines or through existing programmes
14. **Note** the development of the Gang Intelligence Centre and the dedicated law enforcement taskforces are [REDACTED] s9(2)(f)(iv) of OIA [REDACTED]  
[REDACTED]

Minister of Police

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