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17 January 2024

Susan Hawley

Executive Director
Spotlight on Corruption

By email: susan@spotlightcorruption.org

Dear Ms Hawley,

Thank you for your detailed letter sent on 5th December 2023. I have overall responsibility for the National Economic Crime Centre as well as NCA's system leadership responsibility across the range of other serious and organised crime threats, and Graeme Biggar has asked me to respond to you on his behalf.

The National Crime Agency is a law enforcement body dedicated to tackling all forms of serious and organised crime (SOC). Our strategic priorities are set by the Home Secretary on an annual basis; however, the NCA is operationally independent. This means we make independent risk-based judgements regarding what crimes we investigate and how; a key question is always our prospect of being able to prove a crime has been committed as defined by the law. Across all our work we aim to reduce crime through Prevent, Prepare and Protect approaches, as well as direct disruption.

In your letter you highlight potential foreign interference risks. The NCA works in close partnership with government and other relevant agencies to identify and tackle illicit finance and potential interference concerns. Recently we have supported the development of the National Security Act 2023 and the Foreign Interest Registration Scheme, both of which are aimed at making the UK more resilient to interference risks. And we contribute to internal discussions within government on how legislation could be further strengthened.

NCA operations play a significant role in protecting the UK from illicit finance (domestic and overseas) and the threat posed by hostile states. We conduct proactive enquiries drawing on a variety of sources to generate investigative leads, including referrals from a variety of bodies including the Electoral Commission. The NCA's Combatting Kleptocracy Cell, established in 2022 to address foreign illicit finance in the UK, has delivered over 160 disruptions against corrupt elites, their enablers and SOC associates. The NCA also investigates domestic and election finance corruption on an intelligence-led basis and our National Cyber Crime Unit proactively identifies and disrupts attempts by overseas based groups seeking to interfere with or otherwise damage UK infrastructure.

The NCA is fully committed to supporting future endeavours that will reduce vulnerabilities and improve the effectiveness and resilience of our democratic processes. To this end, the NCA engages a wide range of partners to share our knowledge of the illicit finance threat as it relates to election finance, to develop new operational initiatives and advise on where improvements can be made to

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relevant legislation. This includes liaising with the Electoral Commission and the full range of policing, intelligence community and Government stakeholders.

In answer to your specific questions, please see below:

How does the NCA view its remit in relation to election finance, and what is that role in relation to other enforcement bodies such as local police authorities?

The NCA is an operationally independent law enforcement agency, and is the lead agency and system lead on serious and organised crime. The NCA operates at the high end of high harm, investigating referrals on election finance issues where there are grounds to do so and there is a realistic prospect of success, and taking forward enquiries proactively on the basis of intelligence. The NCA works closely with the police on all matters relating to the NCA's statutory remit, and this includes sharing NCA intelligence and capabilities in support of relevant investigations by local forces.

Has the NCA identified specific gaps in the current election finance laws that have impinged on its ability to undertake election finance investigations under PPERA?

The NCA acts to the full extent of the law, including the offences set out in PPERA. We engage legal counsel to obtain expert legal advice throughout the course of an investigation. We have previously highlighted that PPERA does not prohibit funds originating from overseas to be used in donations as long as the donating entity is eligible to donate in the UK. It would be for Parliament to change the law to address this, or other areas you have highlighted that could be seen as potential regulatory gaps.

How many investigations into election finance offences under PPERA has the NCA carried out in the past five years and how many of these were referrals from the Electoral Commission?

For reasons of operational security, the NCA cannot comment or provide breakdowns of live investigations. We do not routinely comment where investigations fail to reach a criminal justice or civil outcome, but may do so where it is the public interest.

The NCA will continue to conduct investigations into allegations of serious breaches of election finance laws and we will work closely with the Electoral Commission as and when such incidents emerge.

Have any (and, if so, specify how many) otherwise viable investigations into corruption or suspected foreign influence in UK election finance been refused or curtailed because of the NCA's resource constraints or operational capacity?

No. Matters reaching our investigative threshold are pursued to the full extent of the law.

What steps did the NCA take to investigate the possibility that the Azerbaijani Laundromat may have been used as part of a foreign influence operation in the UK, and whether donations made by Javad Marandi were part of this operation?

The NCA does not routinely confirm or deny the existence of operations.

What is the basis for the NCA's reported interpretation of PPERA, such that it declined to carry out further investigations into Ehad Sheleg's donation of £450,000 to the Conservative Party in February 2018 and does not appear to have investigated any of his other donations?

On matters of legislation, the NCA utilises expert legal advice. In this case we issued a statement saying that we could find no evidence of an offence under PPERA. We have nothing to add to that statement.

What steps has the NCA taken to investigate whether donations from companies owned by Karan Chana and Peter Virdee Singh were from laundered funds or part of a money laundering operation?

The NCA does not routinely confirm or deny the existence of operations.

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You will appreciate that operational security places limitations on what can be discussed, particularly regarding specific cases. Despite this, I am keen the NCA continues to have a productive dialogue with you, your organisation and civil society more widely. The National Economic Crime Centre co-ordinates the operational system response on a wide range of illicit finance issues, including those you have highlighted, and will be a natural point for you to continue engaging.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'JB', is positioned above the typed name and title.

James Babbage

Director General Threats (Economic and Organised Crime)
National Crime Agency

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