

From: Mr Donald Stickland

[Who he?] A passionate CHAMPION for SECURITY IN DISTRIBUTION (SID)!

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Letter sent via email to: Chiara.redaelli@ofgem.gov.uk etc.

FAO: Mr Andrew Wright,
Interim Chief Executive, Ofgem,
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FAO: Smarter Markets, 9 Millbank, London SW1P 3GE [**Reference 100/13** of 3 July 2013]
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FAO: **Andrew MacFaul**, Consultation Co-ordinator Ofgem, 9 Millbank, London SW1P 3GE
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CC: Mr Vernon Coaker MP, Gedling Constituency Office, Arnold, Nottingham.

Dear Mr Andrew Wright, and Dear ofgem team,

Open RESPONSE to ofgem's "Tackling electricity theft" & a laxness SCANDAL: "TRASH to be TRIMMED", please

0- LEGAL NOTICE: For the avoidance of doubt each statement in this OPEN Response – made in response to an ofgem Consultation document's (here's a link: <https://www.ofgem.gov.uk/ofgem-publications/75268/20130703tackling-electricity-theft.pdf> , ref: 100/13, dated 3 July 2013) request for "views on proposed new supply licence obligations to strengthen the arrangements for tackling theft and on the proposed role of Distribution Network Operators (DNOs) in tackling theft when it is not responsibility of suppliers. [We are also consulting on additional policy measures and proposals to support suppliers in investigating, detecting and preventing theft.]" – is either a statement of opinion by Mr Donald Stickland, or a statement of suggestion of opinion by Mr Donald Stickland, unless it can be proved to be a statement of fact in an English law court.

1- May I welcome you to your new **interim** job as Chief Executive, ofgem? Particularly as you started your new job a few days before the publication by ofgem of "**Tackling electricity theft – Consultation**", reference number 100/13, plus IA [no ref!], for which I personally believe that you personally hold the ultimate responsibility - because you are there to set the tone, at and from the top - for Corporate Social Responsibility.

2- It is for this reason that I'm writing to you direct in the first instance as a courtesy, so that you may have an early opportunity to review the wider ofgem etc cultural and/or corruption issues, which may perhaps include your promotion prospects to a permanent role at ofgem. Of course, I'm e-mailing & writing to your several subordinates' addresses given in ofgem ref 100/13, with the aims that (A) they immediately forward e-copy of this submission to you, and also (B) they also process this submission as part of your and/or ofgem's Smarter Markets Team's duties.

3- This **OPEN** letter generally sets out on my professional experiences of electricity theft since 1975, and particularly on findings since 24 December 1996, when I filed Patent number GB2309086 "Utility Metering Arrangement" to estimate energy etc theft. As GB2309086 is "Not In Force", since 24 Dec 2009, it is **freely** available for use by

ofgem, or anyone else, without the need to financially compensate me for my work; and arising/associated analytical techniques – such as set out in page 33 of 43 of my long outstanding RESPONSE to “Theft of Gas and Electricity - Discussion Document”, April 2004, Ofgem (Ref: 85/04 – website ref on page 2 of ref 100/13), of 15th June 2004 entitled “Sherlock Holmes and the Theft of electricity and gas”, <https://www.ofgem.gov.uk/ofgem-publications/39224/7691-stickland1.pdf> . My MP (Mr Vernon Coaker) and I discussed theft matters then, and he supported my call for action then. When I went to see Mr Vernon Coaker MP again, some nine years later, i.e. after publication of ofgem ref 100/13, I explained my findings of apparent ofgem “drift” on theft under your predecessor Mr A Buchanan, he seemed appalled by my *summary* (set out below) & I had the impression that he felt that I’d been right to be concerned by ofgem laxness to get a grip on theft all along. He said that he’d support my complaint of long outstanding lack of necessary action by regulator and regulatees.

4- Here is my *summary* on my *first* reading of ofgem Consultation ref 100/13:

4-1 There is a general failure by ofgem to recognise (A) that the electricity wholesale settlements system (“settlements”) was not initially designed to recognise that electricity theft takes place on the electricity transmission and distribution systems, with (B) the concomitant problem that those consumptions that are metered do not represent the consumptions of thieves, who avoid being properly – or at all – metered, and (C) thieves may get electricity free of charge, i.e. with no constraint on use and/or concomitant carbon dioxide etc emissions (thus frustrating democratically elected Governmental security of supply etc policies).

4-2 The resulting “settlements” botch meant that any data of consumptions by thieves – even when theft was detected – were handled in a very clumsy way! In particular, it seems that any supplier who actually did detect symptoms and/or proof of theft by their (sometimes alleged) customers suffered in a paradoxical way, by being disadvantaged compared with other suppliers. This resulted in an apparent lack of incentive on electricity suppliers to spend money to sort out theft.

4-3 This is of course inevitable if – to use a medical analogy – the industry’s practices treat only symptoms, and not the underlying causes [of those symptoms].

4-4 The real problem, of course, BUT sadly not properly recognised in ofgem ref 100/13, is due to the “duality of metering function” required by electricity privatisation. In a so-called no-meter-cost “ideal world” there would be TWO sets of metering at each consumer’s terminals / supply point (1) a meter for the Supplier, and (2) a meter for the Distributor. This would be to allow independent measurements by Suppliers and Distributors (so that they’d be able to have data to manage their separate responsibilities).

4-5 Of course, this would have ben ridiculed at privatisation, as being straight out of Monty Python, etc. But there are fatal consequences, up to now, for the managing down of theft of electricity, and also the managing down of maladministration by the electricity industry, such as (A) meters connected to the physical distribution system – but not recorded on any supplier’s system, and so not read – not just an urban myth apparently, and (B) current transformers (CT) for meters connected to the physical distribution system – but whose CT ratio “calibration” is misreported to a meter operator’s and/or supplier’s system, with concomitant under recording of energy consumptions.

4-6 The underlying reason for the above fatal consequences is that ALL shortcomings in metering, etc, happen on the physical electrical transmission and distribution systems – including theft. Consequently, any robust solution to the theft has to focus on DISTRIBUTORS. It is clear from ofgem ref 100/13 section2, pages 10 & 11, that this is not the case under “the current regulatory framework” because para 2.1 states “Electricity suppliers are required by their licences to detect and prevent electricity theft” whilst para 2.4 states “Until recently, DNOs [**Distribution Network Operators**] had commercial incentives to reduce the amount of electricity illegally taken¹⁶. DNOs are also required under Standard Licence Condition (SLC) 27 of their Distribution Licences to provide information to suppliers when they suspect or identify theft or damage”, which clearly means that if DNOs are not bothered to expend monetary effort on theft – which would obviously reduce cash for dividends to Company shareholder shareholders – then there are NO real incentives for DISTRIBUTORS to drive down theft and maladministration.

4-7 As I stated way back in 2004: Edmund Burke said: “**Evil thrives when good men do nothing**”, so the Ofgem assertion that “**The [theft] arrangements should not require detailed monitoring as a matter of course**” is very wrong, in Box Ten’s opinion, see page 38 (of 43) of my ofgem Response of 15th June 2004, entitled “**Sherlock Holmes and the Theft of electricity and gas**”, on Link: <https://www.ofgem.gov.uk/ofgem-publications/39224/7691-stickland1.pdf> .

4-8 Incidentally, I do believe there is a serious matter of blinkered arrogance surrounding theft, for this reason: A lot of political effort and words are said about the importance of SECURITY in energy provision for UK, but it’s only limited – in my view - to the INPUT “pipeline” of raw energy into power stations, particularly regarding supplies from foreign countries. Sadly, the OUTPUT “pipeline” – of Transmission and Distribution – is apparently ignored, yet this is exposed to criminals and terrorism too, as the growth of illegal cannabis farms etc illustrates.

4-9 Is there a solution, for Distribution to clean up? Of course there is! Not only did I point out electricity supply – and especially DISTRIBUTION - problems in my long outstanding 2004 Response to ofgem, BUT I also set out the framework for a solution, on page 33 (of 43) titled: “Independent Annual Finite Element Oversight example (1)”, on Link: <https://www.ofgem.gov.uk/ofgem-publications/39224/7691-stickland1.pdf> .

4-10 In order to facilitate the Finite Element Analysis approach, I even filed a Patent number GB2309086 “Utility Metering Arrangement”, to estimate energy etc theft. As GB2309086 is “Not In Force”, since 24 Dec 2009, it’s freely available; I believe that it self explanatory – but please contact me if you want explanations. If you wish me to travel to London, please offer to refund my modest rail travel costs, as I’m now an OAP after the long delay by ofgem, etc! So I have a bus pass for use in London.

4-11 Part of the problem is that it has been alleged to me that at least some DNOs either stripped out prematurely, or decommissioned, 33kV meters, to make cost savings to pass on as dividend distributions to shareholders. Obviously, it’s now pay back time, for shareholders to at least part fund appropriate 33kV etc metering, as part of the Finite Element “Input versus Output” Analysis approach

4-12 Obviously the development of so-called smart meters – which seem to me to be an improvement on my Patent – offer the way ahead to meter ALL **known** outputs of any distribution feeder. If the inputs are also metered, then any **unknown** outputs – given sufficient will power – be identified, and then be routinely dealt with as theft cases – as appropriate. This “corset” approach should be routinely adopted – in my

opinion – if we are to stamp out electricity theft.

4-13 There seems to me to be a problem arising from the distribution of smart meters, where Suppliers now apparently install them willy-nilly, to any customer they choose. Ofgem clearly has to get a grip here, and insist that smart meters are rolled out on a programme so that they're installed on a distribution FEEDER basis. This is essential to better solve the electricity theft problem, and it seems to me that Appendix 3 – a proposed change to the Electricity Supply Licence – fails here.

4-14 Obviously a change is necessary, no matter what squawks etc are received from the incumbents, or Angela Knight, chief executive of Energy UK, which represents the industry, a former chief executive of the British Bankers Association [that owned the now allegedly disgraced/tainted “BBA LIBOR” registered trademark]. SUM-UP Ofgem has to demonstrate pro-active leadership, Mr Andrew Wright., please

4-15 For the avoidance of doubt, I am prepared to stand up and speak at any ofgem event, media or otherwise – including any meeting with the chief executive of Energy UK – in order to make progress AND to improve the security of electricity supply in our country. Just too many of the “Old and cold” are victims of these crimes, as the various campaigns in the Nottingham Post make clear locally.

5- Sadly, it seems to me that some recognition of “institutional” parallels to these problem/s of ofgem getting a grip theft are set out in “Dial M for Murdoch”, by Tom Watson MP & Martin Hickman, ISBN 978-1-846-14603-9, about an apparent regulator / ICO failure to act on corrupt phone hacking way back in 2003! For example, on p 32, Alec Owens said: ‘I was disappointed and somewhat disillusioned with senior management because I felt as though they were burying their heads in the sand. It was like being in an ostrich farm’. Consider the situation now, post “Leveson”! Are we also headed for a Competition Commission Inquiry into alleged electricity theft?

6- The content of the foregoing sections is substantially the same as I have (A) discussed with my MP in late July and (B) sent to my MP on 16 August 2013, in a draft format. I understand that my constituency Member of Parliament (Mr Vernon Coaker MP) is sending ofgem a letter in general support of my Response, under separate cover.

7- “TRASH to be TRiMMED”, please

7-1 Here's my *summary* on my *second* reading of ofgem Consultation ref 100/13, + IA:

In brief, in my opinion, the thrust of this apparently “One Direction Consultation” [aka 1DC], i.e. “in the direction of the alleged thief's supplier” ofgem Consultation, is most unwise. This is because I believe that electricity theft can only be properly managed by the JOINT (!) efforts of Suppliers and Distributors, working together on a distributor feeder by distributor feeder basis, as explained in my Response to ofgem in 2004 (Link: <https://www.ofgem.gov.uk/ofgem-publications/39224/7691-stickland1.pdf>). This is especially so with the recent development of Smart Meters, and their potential to measure the relative INS and OUTS of energy of each Distributor feeder, a feature sadly ignored by ofgem in their para 1.10! Ofgem should encourage Smart Meters to be installed on a completed electricity distribution feeder by feeder programme.

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7-2 The hypothesis of the present ofgem Consultation seems to me to be to discuss at length the hypothetical construct of the so-called TRAS, see ofgem page 26, para 4.1, which I have expanded as the mnemonic:

TRASH = **T**heft **R**isk **A**ssessment **S**ervice **h**ypothesis.

7-3 The thesis of this/my Response is that TRASH is not enough on its own, to solve the GB electricity theft challenge. [Indeed ofgem seem to admit same, because top of page 9 of their IA states they “consider that a combination of ... policy measures has the potential to provide greatest benefits to consumers”] A 2 Dimensional Approach [aka 2DA] is required, in order to recognise the dual nature of electricity energy provision, via Distributors [D] – through Suppliers [S] – to Consumers and/or thieves. For ease of reference, I propose the mnemonic below:

TRIMMED = **T**heft **R**isk **M**anagement **M**easuring **E**lectricity **D**istributed.

The purpose of the TRIMMED mnemonic is to emphasise that – whilst TRASH is important – it must be augmented by recognising the necessity of simultaneously solving the electricity theft problem by getting a grip by equally involving Distributors too, so as to move the focus of “S and D” (SAD) activity onto the high-risk physical electricity distribution feeders. Just having a Revenue Protection Service (RPS) – as hinted in ofgem’s para 1.12 – is clearly insufficient, at least in this Respondent’s view. This view is confirmed by ofgem’s page 18, para 2.33 of QUOTE Technical Assurance Checks carried out by the organisation appointed by Elexon have found that “there is very little (in fact most cases none) engagement between Suppliers, NHHDCs and RPSs regarding the processing of revenue protection units” ENDQUOTE which is summed up by ofgem’s para 2.35 “These statements cast some doubt on whether appropriate estimates of stolen units are being entered into settlement following a successful theft detection.” Incidentally, I note that ofgem’s Appendix 2, Table 1, indicates that two suppliers reported that 1% of theft detection were sourced from DNO (Distribution Network Operator) when the theft takes place off of a DNO’s network!

7-4 The appended Extract [contained at the end of the PPS to this Response letter] from *The Sunday Times*, 25 August 2013, includes: **This week The Sunday Times reports on the plight of Vietnamese children forced to work in cannabis farms in appalling conditions. The profits of the drug trade are often laundered through nail bars.**

7-5 The above extract shows that there are wider aspects to theft via cannabis farms than as is set out in paras 1-5 to 1.8 of ofgem Theft Consultation ref 100/13, and that serious action is required, e.g. to assist SOCA (the Serious Organised Crime Agency).

7-6 And the apparent “financial effects only” ofgem analysis – e.g. as in Figure 1 – is faulty too. REASON: Unrestricted theft causes an increased electricity demand on the total electricity supply system, and thus might cause future ‘black outs’. Surely ofgem has to act to assist to “keep the lights on”?

8- As requested, here follow my detailed/technical Responses to ofgem’s 100/13 – <https://www.ofgem.gov.uk/ofgem-publications/75268/20130703tackling-electricity-theft.pdf> , page 48 - questions:

CHAPTER: Three

Question 1: Do you agree with our proposals to introduce new electricity supply licence obligations in relation to theft?

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DS R A1: YES, get on with it, as a necessary "first step", & IF these proposals don't work out, THEN revise them pdq (i.e. pretty darn quick). However I note that "Materiality" page 5, section 1.1 commences with "The total amount of electricity theft is unclear" which in my view would be untrue IF the amounts entering and exiting finite feeder elements were routinely measured (as I had proposed way back in 2004) and hence to be managed. The recent development of so-called "Smart Meters" would allow the matching of INS & OUTS, as required by the appropriate SSAP, if the roll out arrangements were to be sensibly co-ordinated between Supplier and Distributors (SAD) working together, and it's truly "sad" that this isn't sufficiently happening at present – see ofgem para 2.33, referred to above. Respondent's method to make this work: (A) the Distributor identifies a feeder – perhaps by metering the out-going cable from an electricity substation, and takes measurements of electricity going IN to that feeder. (B) the Distributor identifies the Supplier/s of the known Customer/s on that feeder, and asks the Suppliers' representatives – e.g. the meter Data Collectors – for the measured data for electricity consumptions taken OUT of that feeder (C) the Distributor compares the sum of the OUTS with the IN/S (D) Where the difference of the IN/S and OUTS is suggestive of theft, then the Suppliers would be advised by the Distributor that there's a problem on that feeder, and that it may lie with the customer/s of that Supplier, listed by MPAN (E) the Suppliers – and their agents – should then focus their theft detection (e.g. by capable & cunning RPOs (Revenue Protection Officers) etc) on their customers etc on that feeder, and report any suspicions or observations regarding potential thefts "other than that specific supplier's responsibility" to the Distributor (F) in line with the "Sherlock Holmes approach" all possibilities should be investigated, to pursue any inconsistencies, e.g. connections not recorded or tied to any specific supplier, and/or metering (Current Transformer) CT/s' calibration data being mis-recorded by Meter Operators and/or Data Collectors, etcetera (G) interpretations and/or appreciations of the alleged maladministration/s or theft/s should then be written down, for subsequent corrective actions – including ensuring that correct electrical consumption data is to be entered into electricity "settlements", to ensure that the financial effects on the honest customers are sufficiently reduced to reality (H) The focused TRiMMED approach has the advantage for honest consumers/customers of avoiding excessive and expensive "theft detection activity", i.e. the just right "Goldilocks" ideal. Please also note ofgem Theft IA, page 34 "Risk of promoting excessive theft detection activity", would be countered by the TRiMMED approach. SUM-UP: TRASH should be TRiMMED.

Question 2: Do you agree that our drafting proposals set out in Appendix 3 reflect the policy intent described in this chapter?

DS R A2: No. I regret that I'm not legally qualified. Nevertheless, from a non-lawyer's perspective the drafting is clear enough in its setting out of generalities EXCEPT that (A) the Supplier is apparently only responsible for its registered customers/premises apparently, which leaves (B) a "hole" for illegal connections that have no dedicated Supplier, and is (C) silent for the necessity for Suppliers to closely liaise with Distributors, which is at the heart of my TRiMMED proposal.

Question 3: Do you consider that electricity suppliers should be required to offer vulnerable customers and customers that would have genuine difficulty paying, different methods for the repayment of charges associated with electricity theft as an alternative to disconnection?

DS R A3: Well, you can't get blood out of a stone, BUT – if there's no certainty of detection of criminal damage/theft due to the laxness of ofgem leadership (as the regulator of its regulatees) to press for "distribution feeder metering, etc" – then ofgem has to hold its nose and recognise that an habituated free-rider (perhaps paying zero pence per kWh) will inevitably have difficulty with the electricity prices paid by ordinary people. Obviously, in most cases, the recovery of stolen monies should NOT be less penal than the recovery of "ordinary debt", should it?

Question 4: Do you agree that our proposed new electricity supply licence conditions should be introduced as soon as reasonably practical?

DS R A4: YES, get on with it quickly, as a necessary "first step"!

CHAPTER: Five

Question 5: Do you agree with our approach to conducting the draft IA, the assumptions that we have made and the outcome of our analysis in the accompanying draft IA?

DS R A5: Not really: The draft IA [reference stated as "Insert reference" on ofgem's website!] has 63 pages, more than the 61 pages of the Consultative document, AND then asks 18 extra – on top of those 11 of ref 100/13 – Questions! Para 3.26 [IA p 19] seems to me to wish to hide behind the "petticoats" of Data Protection Act 1998, as an excuse for doing little. Whilst I do agree that there is a case of keeping truly *personal* data confidential, there really is no excuse for keeping MPAN and/or **positional** data confidential, especially if it's associated with suspected or proven theft. Indeed I believe that there should be a PEDLA (Public Expenses etc Data Liberation Act) to recognise the wider public interest issues. Para 4.15 [IA p 24] proposes a new Theft Risk Assessment Service (TRAS) for the electricity sector, to be run by suppliers **only**! As I basically believe that theft takes place from a DNO's distribution system, or is due to maladministration fraud, this putting "Suppliers" in charge of what I perceive to be also a problem for "Distributors" is an **hypothesis**, to say the least. So far, I'm thinking of "TRASH" as the prospect/s for this ill-conceived 1D endeavour proposal, and I will therefore refer to "TRASH" throughout this Response – the thrust of which is: **TRASH is to be TRiMMED**, please, ofgem.

Question 6: Have we correctly assessed the main impacts in the accompanying draft IA? [Are there additional impacts that we should consider?]

DS R A6-1: No. Reason: the DISTRIBUTER aspect/s have been ignored.

Are there additional impacts that we should consider?

DS R A6-2: Fundamentally revise TRASH, in order that it may be TRiMMED, as described elsewhere in this Response.

Question 7: Which, if any, of the proposed policy measures (or package of policy measures) to support theft investigation, detection and prevention should be implemented and why?

DS R A7: If augmented with TRiMMED, then TRASH would be a key part.

Question 8: Do you consider that there are alternative proposals, or variations of the combinations of the proposed policy measures that should be considered?

DS R A8: Of course. TRASH augmented with TRiMMED.

CHAPTER: Six

Question 9: Do you agree with our view that DNOs, for the time being, should not be included

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in an incentive scheme?

DS R A9: NO, not at all. Ofgem's apparent "DNOs: do nothing now" view (somewhat reminiscent of Samuel Beckett's play *Waiting for Godot*) is contrary to rationality, and indicates – rightly or wrongly – an undesirable culture at and from the top of ofgem.

Question 10: Do you agree with our view that DNOs should have licence obligations to tackle theft in conveyance?

DS R A10: YES, of course. But ofgem's words of its Chapter 6 – especially those of paras 6.11 to 6.15 regarding RIIO-ED1 – pronounced "Rio Eddy" (which in my opinion conjure up the image of a "spiv"! – are most disappointing, particularly as they imply a **further** delay in involving DNOs in a proactive role to tackle theft – the report's title! It's this Respondent's thesis that electricity theft shall only be competently managed down if **BOTH Suppliers** and **ALSO Distributors** are working together on work packages that include a feeder by feeder approach, that used to be the case during Nationalisation, i.e. before Privatisation introduced the artificial split of Distributors and Suppliers, which logically would have required TWO sets of metering (S & D) at each customers property & concomitant costs!

Question 11: Are you aware of any alternative proposals to support DNOs in tackling theft in conveyance that should be considered? If so, please provide further details.

DS R A11: YES. Page 33 (of 43) of my long outstanding submission to ofgem dated 15th June 2004 entitled "**Sherlock Holmes and the Theft of electricity and gas**", via web link: <https://www.ofgem.gov.uk/ofgem-publications/39224/7691-stickland1.pdf> , titled: "Independent Annual Finite Element Oversight example (1)" is unambiguous, in my opinion. IF ofgem perhaps believe there are ambiguities, THEN please write to me, asking for my advice.

9- As further requested, here follow my detailed/technical Responses to ofgem's draft IA <https://www.ofgem.gov.uk/ofgem-publications/75267/20130703tackling-electricity-theft-ia.pdf> [no ref given/13] pages 40 and 41, questions:

CHAPTER: TWO

IA Question 1: Do you consider we have captured all relevant actions that, if undertaken by suppliers, can contribute to tackling electricity theft?

DS R-IA A1: **No!** Reason: This Respondent considers that a SAD package combination of policy measures has the potential to provide greatest benefits to consumers, and that therefore the Suppliers have to work with Distributors on a TRiMMED approach, as explained above – and at length in this Response.

IA Question 2: Do you consider our approach to the draft IA suitable for demonstrating the current commercial disincentives and challenges suppliers face to tackle theft? If not, what alternative approach would you suggest to be best?

DS R-IA A2: It's not bad - as a start - for the One Dimension "TRASH" approach for Suppliers. BUT this Respondent believes that TRASH has to be part of a co-ordinated package of approaches – including Distributors and TRiMMED – is essential to ensure the "certainty" of theft detection that's now so important in a multi-cultural GB of different approaches to, and departures from, basic Christian honesty.

CHAPTER: Three

IA Question 3: What do you consider to be the scale of theft in the GB electricity market?

DS R-IA A3: **Outrageous**, in short, is what I consider to be the scale of electricity theft in GB, because it has to be funded by honest customers, and not by the shareholders, as would be the case for pilferage in other firms. And it's much larger than current

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ofgem estimates, especially when electricity maladministration is included. Some cannabis farms have only been detected when overloading electricity circuits has started fires, and the Fire Brigade has reported back. One would have thought that these situations could have been detected by TRiMMED, i.e. by comparing INS & OUTS from substation feeders, and sending in the “RPS guys” when absurd anomalies are to be observed. The current electricity industry and ofgem laxness puts too much temptation in the path of criminals, e.g. some cannabis are “staffed” by illegally trafficked children, and the proceeds from same may apparently be laundered through “nail bars”, which may also employ illegal immigrants too.

IA Question 4: Do you consider that there is material difference in the prevalence of electricity theft between suppliers’ customer portfolio? What factors drive any considered difference in theft distribution?

DS R-IA A4: As a customer one can only presume that a reason that theft may flourish more in one electricity Supplier compared with another – no names, no pack drill – is due to rush to a [“pert?”] so-called bottom, to squeeze the maximum profits from an oligopolistic operation for the benefit of shareholders, and of course so-called “performance bonuses”, by screwing down costs to the floor. This is of course the attitude/s in cutthroat industries such as motor vehicles, and the various “door step” electricity mis-selling scandals as revealed by TV’s Watchdog prog etc. Obviously company culture – as set at and from the top – would form a part of this, as well as the usual human foibles such as: misplaced pride, politics, personal ambitions, over-confidence, and the absence of reality [e.g. the lack of measured data that TRiMMED can supply]. Of course, these same foibles brought us to the 2003 etc Iraq invasion mess. Thus it’s essential that electricity theft is countered by a package of robust systems and processes such as TRASH and TRiMMED working together. This will require real effort, but it may “keep the lights on”, rather than result with the GB population having to suffer blackouts due to unpaid theft of electricity.

IA Question 5: When theft has been detected, what actions do you take to ensure accurate estimates of the volume stolen and to ensure stolen units are entered into settlement?

DS R-IA A5: ***I’m just a customer, who’s appalled by the apparent laxness of the electricity industry, seemingly acting as a “cartel of oligopolistic players” who just dump the cost of theft onto honest customers, rather than taking it on the chin, i.e. as a cut in shareholder dividends – as would be the case in a normal firm suffering pilferage; however, I’d report energy theft to my MP & the Police.***

IA Question 6: What is your estimate of the re-offending rates? Are there any actions you take to prevent re-offence at a premise where theft is detected?

DS R-IA A6: High re-offending is likely. Use TRiMMED, please, as described above.

IA Question 7: For each incentive measures, are the proposed compliance measures sufficient to ensure suppliers conduct investigations to satisfactory standards and thereby protect consumer interests? In addition to the proposed new Revenue Protection Code of Practice on theft investigation being developed under the DCUSA, are there any further measures that should be introduced to help address any perceived weakness?

DS R-IA A7: The proposed Supplier package – on its own – is not enough, to deal with theft in a professional manner. Reason: Not all electricity theft is via a supplier!

CHAPTER: Four

IA Question 8: Do you consider the incentive problem described in the consultation to be a reasonable representation of the issues and challenges suppliers face to tackle theft?

DS R-IA A8: Probably. But Suppliers must stay in touch with reality, by working closely with Distributors, i.e. TRASH to be augmented with TRiMMED. Obviously.

IA Question 9: To what extent do you consider the detection-based and the volume-based

incentive schemes are likely to establish and realise targets for theft detection that are proportionate to the potential consumer benefits? Do you have any views on the two variations (cap / no cap) of each of those incentives schemes?

DS R-IA A9: This Respondent's view is that honest Customers are more concerned with reducing the big volumes of electricity theft, rather than the incidence(s) of theft – because of the impact on the electricity bills of honest customers. Nevertheless, a high number of undetected theft incidences will inevitably be a breeding ground for future thefts, and hence these are an important, but perhaps secondary, priority. Obviously TRiMMED has a key part to play for both approaches, with TRASH.

IA Question 10: Do you consider that the cost-sharing mechanism could address the disincentive suppliers face to enter estimated stolen units into settlement?

DS R-IA A10: Maybe. Try it. BUT with TRASH to be augmented with TRiMMED.

IA Question 11: Do you consider that additional or alternative measures to the three incentive measures, to the enhance audit and to the TRAS are needed to address the incentive problem and improve theft investigation, detection and prevention?

DS R-IA A11: Of course: TRASH to be augmented with TRiMMED. Obviously.

IA Question 12: Do you consider that the cost and availability of services to support theft detection and investigation is a material issue for small suppliers?

DS R-IA A12: Possibly. Listen to their answers, i.e. from small suppliers – if they care to respond to this consultation. Perhaps they would support TRASH to be augmented with TRiMMED.

CHAPTER: Five

IA Question 13: Do you agree with our initial views on consumer behaviour in respect of energy efficiency?

DS R-IA A13: Obviously, where electricity is illegally taken, consumers are less likely to be price sensitive and are less motivated to moderate consumption.

IA Question 14: What percentage reduction in consumption would you expect customers to make when an illegal electricity supply is detected? To what extent do you consider that this would result from a response to increased costs and/or an increased propensity to invest in energy efficiency measures?

DS R-IA A14-1: Obviously, where electricity was illegally taken, consumers were not constrained by their "Budget line". After detection, they may be; and their consumption of electricity would decrease accordingly.

DS R-IA A14-2: Ah! The old revenue expenses versus capital expenses question! In my opinion, because a significant number of thieves probably live for the moment, energy efficiency measures aren't necessarily an ex-thief's style, *ceteris paribus*.

CHAPTER: Six

IA Question 15: Do you consider the proposed incentive measures would have any direct or indirect impacts on health and safety others than the areas discussed in this draft IA?

DS R-IA A15: Reduction of FIRES. Some cannabis farms in Nottingham were only detected when the Fire Brigade had to be called out!

IA Question 16: What incentive measure (or combination of incentive measures) do you consider would have the greatest impact on health and safety?

DS R-IA A16: TRiMMED, obviously, but associated with TRASH.

CHAPTER: Seven

IA Question 17: Do you consider there are other risks or unintended consequences of the proposed policy measures not discussed in this draft IA? What alternative policy measures do you consider could address these risks?

DS R-IA A17: The need for a package of anti-theft measures to recognise the risk / opportunity of the simultaneous responsibilities of Suppliers and Distributors (SAD) to

work together, to solve the problem of honest customers sadly currently being taken for a ride, by the free-riding electricity thieves. Hence the need for TRASH to be TRIMMED, please. Certainly, TRIMMED will manage the alleged “risk of promoting excessive theft detection activity” by focusing on apparently higher risk substation distribution feeders. Obviously, ofgem should set up and retain “capping powers” should an excess of “theft detection” zeal break out – historically unlikely, but hysterically possible. Additionally, ofgem should have reserve powers to deal with players gaming the system – e.g. by their delaying reporting of theft, etc, to gain greater financial advantage – by ofgem pre-publishing a table of ofgem fines for such cases. The modelling already carried out by ofgem seems to this Respondent to be a suitable place to start the computations for fines for “theft gaming” by Suppliers etc.

CHAPTER: Eight

IA Question 18: Do you consider that the implementation timescale for our proposals is realistic and achievable? If not, what do you consider to be a realistic timeframe? What additional measures, if any, do you consider should be undertaken to secure implementation within a reasonable timeframe?

DS R-IA A18: This subject has sadly drifted since at least 2004, as my Response then (link: <https://www.ofgem.gov.uk/ofgem-publications/39224/7691-stickland1.pdf>) made clear back then. Basically “It’s later than you think!” Regarding necessary action, from an honest electricity customer perspective, the naval words of our dear Queen’s consort – the Duke of Edinburgh – seem to me to be appropriate, i.e. “*Pull your finger out*”, please, ofgem. There’s no rational reason why honest customers should pay for dishonest ones, post-privatisation. [It was a different story during Nationalisation, i.e. pre-privatisation, because of the multiplicity of responsibilities of the owner – GB Government – meant that any analysis was very different.]

IA Question 19: Do you consider that our approach to enhancing obligations on DNOs would provide more focussed action on tackling theft in conveyance? If not, what do you consider to be an alternative approach?

DS R-IA A19: YES! Especially if they were to form a co-ordinated package of TRASH to be augmented with TRIMMED. Obviously.

10- As also further requested, here follow my detailed/technical Responses to ofgem’s [via: <https://www.ofgem.gov.uk/ofgem-publications/75268/20130703tackling-electricity-theft.pdf>, page 61] **Feedback Questionnaire (FQ):**

FQ Question 1: Do you have any comments about the overall process, which was adopted for this consultation?

DS R-FQ A1: It was the usual summer holiday reading process for Respondents.

FQ Question 2: Do you have any comments about the overall tone and content of the report?

DS R-FQ A2: An average standard report for ofgem, but sadly it failed to adequately identify the key duality of Suppliers and Distributers (SAD) in solving the electricity theft conundrum.

FQ Question 3: Was the report easy to read and understand, could it have been better written?

DS R-FQ A3: The key Table 1, ofgem page 5, failed to show the cost of theft work as a proportion of Supplies’ profits as distributed to shareholders.

FQ Question 4: To what extent did the report’s conclusions provide a balanced view?

DS R-FQ A4: Sadly it failed to adequately identify the key duality of Suppliers and Distributers (SAD) in solving the GB electricity theft conundrum.

FQ Question 5: To what extent did the report make reasoned recommendations for

improvement?

DS R-FQ A5: To some extent. In this Respondent's opinion: TRASH to be augmented with TRIMMED.

FQ Question 6: Please add any further comments

DS R-FQ A6: TRASH to be augmented with TRIMMED. Obviously.

11- As also further requested, here follow my detailed/technical Responses to ofgem's [via: <https://www.ofgem.gov.uk/ofgem-publications/75267/20130703tackling-electricity-theft-ia.pdf>] [Electricity theft - Draft Impact Assessment, no ref given/13, page 63] Feedback Questionnaire (**FQ-IA**):

FQ-IA Question 1: Do you have any comments about the overall process, which was adopted for this consultation?

DS R-FQ-IA A1: It was the usual summer holiday reading process for Respondents.

FQ-IA Question 2: Do you have any comments about the overall tone and content of the report?

DS R- FQ-IA A2: The IA report had no ofgem Consultation document ref number!

FQ-IA Question 3: Was the report easy to read and understand, could it have been better written?

DS R- FQ-IA A3: Mainly. The theft modelling section wasn't that digestible.

FQ-IA Question 4: To what extent did the report's conclusions provide a balanced view?

DS R- FQ-IA A4: Sadly it failed to adequately identify the key duality of Suppliers and Distributers (SAD) in solving the GB electricity theft conundrum.

FQ-IA Question 5: To what extent did the report make reasoned recommendations for improvement?

DS R- FQ-IA A5: To some extent. In this Respondent's opinion: TRASH to be augmented with TRIMMED.

FQ-IA Question 6: Please add any further comments

DS R- FQ-IA A6: TRASH to be augmented with TRIMMED. Obviously.

12- As an Energy [and Electricity since 1975] and a Risk professional (CV available on request), I'm available to lead and/or facilitate [subject to: (A) a maximum 23 months contract for my businesses services, including being "sackable at any time" jointly by ofgem Chair & ofgem CE, (B) me – or my substitute (to enable continuity of business services) - controlling my/our own work, and work times, and methods of own work, and (C) there being no subsequent "mutuality of obligation" to avoid any conflict with "IR35", etc] any sensible project/s to resolve this theft etc scandal, for an appropriate fee, of course. Please let me know if you/ofgem wish to discuss these possibilities.

13- You will be aware that I've already submitted – over the years – a portfolio of my work in this area, only some of which seems to me to be accessible via Google. You are also able to compare this, and my CV, with the input – if any – from any others who might challenge the lack of distributor action, and hence assess my likely effectiveness as Project Leader and/or Facilitator, to remedy the evident long outstanding electricity theft shortcomings of ofgem and its regulatees. I feel sure that you will agree that it's highly desirable that ofgem employ my business services in order to make the long outstanding – due to ofgem etc – progress on theft, that ought to be part of both Ofgem's Forward Work Programme 2013-14 as envisaged by

"TRASH to be TRIMMED"

Ofgem's Corporate Strategy and Plan 2011-16.

I look forward to hearing from you, please Andrew Wright, and also from your Smarter Markets team!

An acknowledgement receipt of this Response would be appreciated.

Yours truly,

[via e-mail]

Donald Stickland

PS I intend to forward this email to my constituency MP, etc, as copied in the appended email, as well as to other local media in Nottingham, such as The Editor of the *Nottingham Evening Post*, etc

PPS Here follows some extracts from the web, relevant in parts to parts of this Response:

* Extract from *ofgem press release*, ?? May 2013:

OFGEM ANNOUNCES NEW INTERIM CHIEF EXECUTIVE

Ofgem has today appointed Andrew Wright as interim Chief Executive, effective from 28 June. The appointment will ensure continued strong leadership within Ofgem when current Chief Executive, Alistair Buchanan, steps down from his role on 27 June.

Link: <https://www.ofgem.gov.uk/ofgem-publications/76225/interim-ceo-statement.pdf>

* Extract from *ofgem press release*, 03 July 2013:

Andrew Wright, Ofgem Chief Executive, said: "Ofgem wants to make sure that consumers are paying no more than they need to for their electricity, and lives are not put at risk. It's critical that suppliers do all they can to clamp down on electricity theft. This is why Ofgem is introducing new rules to encourage better theft detection.

"The reforms build on similar obligations we introduced at the start of this year for suppliers to address gas theft more vigorously. All these measures will help to improve the confidence of consumers, who want reassurance that the energy market is fair."

Link: <https://www.ofgem.gov.uk/ofgem-publications/76213/electheft-2july.pdf>

*Extract from *The Scotsman*, 29 July 2013:

Prices have risen has resulted in "deep mistrust" from customers, said the committee, adding that the small number of people switching suppliers suggested the market was not as competitive as it could be.

Sir Robert Smith, Liberal Democrat MP for West Aberdeenshire and Kincardine, and speaking on behalf of the committee, said: "At a time when many people are struggling with the rising costs of energy, consumers need reassurance that the profits being made by the 'big six' are not excessive.

"Unfortunately, the complex vertically integrated structure of these companies means that working out exactly how their profits are made requires forensic accountants.

"Ofgem should shine a brighter light on the internal structure of these big companies."

Andrew Wright, Ofgem's new chief executive, was heavily criticised by committee chairman Tim Yeo in May after he ruled out forcing energy companies to be more transparent about their profits, claiming it would be "expensive and intrusive" to implement such legislation ...

Angela Knight, chief executive of Energy UK, which represents the industry, said: "We take the criticisms and recommendations in this report seriously and, as it recognises,

"TRASH to be TRIMMED"

we have gone a long way in improving the information we provide.”

Ms Knight, a former chief executive of the British Bankers Association, added: “We recognise there needs to be open and honest dialogue between all parties and that customers understand their bills also include the cost of the distribution system as well as the environmental and social levies.”

Link: <http://www.scotsman.com/the-scotsman-2-7475/politics/ofgem-must-turn-spotlight-on-big-energy-firms-1-3019221>

* Extract from *The Telegraph*, 13 December 2012:

Ofgem chief executive Alistair Buchanan to leave

Alistair Buchanan is to step down as chief executive of Ofgem after 10 years, raising questions about the future of the energy regulator at a crucial time for the industry.

Ofgem chairman Lord Mogg will also depart, creating the potential for a wider shake-up. Both men will finish their second five-year terms at Ofgem next year, with Mr Buchanan due to leave in June and Lord Mogg in October.

Mr Buchanan, who has instigated several major regulatory reforms during his tenure, had been invited by the energy department to stay for two more years but felt it was the “natural time” to go, Ofgem said.

Ofgem is tasked with protecting consumers, but has been derided by the Labour Party as “toothless” in the face of perceived unfair bill rises.

Labour has vowed to abolish it and create a new watchdog with the power to order energy companies to cut their prices.

Shadow minister Luciana Berger said Ofgem had “too often missed the opportunity to get tough with the energy giants” and “failed to enforce its own rules”.

Link: <http://www.telegraph.co.uk/finance/newsbysector/energy/9743897/Ofgem-chief-executive-Alistair-Buchanan-to-leave.html>

* Extract from *REUTERS edition UK*, 09 May 2013:

Ofgem appoints interim CEO

(Reuters) - Energy regulator Ofgem has appointed an interim chief executive as the recruitment of its two top officials drags on at a time when it is under pressure to loosen the grip of the six largest [utilities](#).

Andrew Wright, currently head of Ofgem's markets division, will temporarily take over from Alistair Buchanan on June 27, when he steps down after 10 years at the helm of the regulator, but it is still unclear who will fill the position permanently.

Wright brings over 25 years experience in the energy sector, having held senior [utilities](#) analyst roles at [banks](#) UBS and Merrill Lynch and having worked in Britain's electricity industry during privatisation in the 1990s.

"Andrew will be taking charge at an important point as Ofgem's ground-breaking energy market reforms will start to take effect from this summer, and we continue to provide important updates on Britain's security of supply," said Lord Mogg, Ofgem's chairman, who is himself stepping down in September.

The recruitment process for a new chairman is precisely the reason for the delay in finding a permanent chief executive, because the chairman and the regulator's board must approve the appointment.

Lord Mogg's successor is expected to be announced by the government shortly, and the new chairman will be heavily involved in nominating a permanent chief executive, a spokesman for the energy ministry said.

He added that it was up to Wright to decide whether he wished to apply for the permanent chief executive position when recruitment starts.

The difficulties at the helm of the regulator come as Ofgem is trying to pass new rules that will open the energy markets to new suppliers and that will rein in large utilities often criticised by the public for squeezing households' wallets.

From this summer, utilities are forced to offer customers their best available energy tariffs and comply with tighter rules about how they can sell energy products.

(Reporting by Karolin Schaps; editing by Jane Baird)

Link: <http://uk.reuters.com/article/2013/05/09/uk-britain-ofgem-ceo-idUKBRE9480SL20130509>

* Extract from *The Independent*, 17 August 2013:

Exclusive: Met investigating Rupert Murdoch firm News International as 'corporate suspect' over hacking and bribing offences

Scotland Yard is investigating News International as a “corporate suspect” over hacking and bribing offences, it can be revealed.

The Independent has learnt the Metropolitan Police has opened an “active investigation” into the corporate liabilities of the UK newspaper group – recently rebranded News UK – which could have serious implications for the ability of its parent company News Corp to operate in the United States. One of Rupert Murdoch’s most senior lawyers has been interviewed under caution on behalf of the company and two other very senior figures have been officially cautioned for corporate offences. John Turnbull, who works on News Corp’s Management and Standards Committee (MSC) which co-ordinates the company’s interactions with the Metropolitan Police, answered formal questions from detectives earlier this year.

The development has caused pandemonium at the upper echelons of the Murdoch media empire. Shortly afterwards, executives in America ordered that the company dramatically scale back its co-operation with the Metropolitan Police.

A News Corp analysis of the effects of a corporate charge, produced in New York, said the consequences could “kill the corporation and 46,000 jobs would be in jeopardy”.

Lawyers for the media behemoth have pleaded with the Met and the Crown Prosecution Service not to prosecute the company as it would not be in the “public interest” to put thousands of jobs at risk. Gerson Zweifach, the group general counsel of News Corp, flew in to London for emergency talks with the Met last year. According to Scotland Yard, he told police: “Crappy governance is not a crime. The downstream effects of a prosecution would be apocalyptic. The US authorities’ reaction would put the whole business at risk, as licences would be at risk.”

The Independent can reveal that Scotland Yard warned News Corp that its UK subsidiary, which publishes *The Sun* and used to publish the now-defunct *News of the World*, was under formal investigation on 18 May last year.

A month later, Rupert Murdoch announced he was splitting the global empire he spent six decades building up into one of the most powerful companies in the world. The 82-year-old hived off the highly profitable television and film assets, including 21st Century Fox and Fox News, into a separate entity from the troubled newspaper group

in what was widely perceived as an attempt to isolate any contagion from the phone-hacking scandal.

Tom Watson, the campaigning Labour MP, said: “This comes as no surprise. Parliament has already found Rupert Murdoch unfit to run an international company.

“He is responsible for the corporate culture that allowed this scandal to damage his global empire. I hope that other jurisdictions like Russia will begin to investigate the activities of News Corp around the world.

“The doom-laden internal analysis that the thousands of people who actually add value to the company may lose their jobs is bogus. If News Corp wants to clean up its act, it can easily do so by replacing the Murdochs with people who understand corporate social responsibility.”

Lawyers for the Metropolitan Police identified News International as “suspects” as long ago as October 2011.

But the company did not appear to become aware of its status as a potential “corporate defendant” until April 2012 when Met detectives asked the MSC for “minutes of board meetings”. The request triggered behind-the-scenes negotiations which eventually led to former Deputy Assistant Commissioner Sue Akers writing to the MSC a month later.

In a letter to the chairman Lord Grabiner, she said there was “an active investigation into the corporate liability of News International”. The company immediately changed the terms of its co-operation with the police.

In an unpublished statement submitted to the Leveson Inquiry a month later, seen by The Independent, Lord Grabiner outlined the position of the company. He indicated it would be a “dereliction of duty” to continue co-operating with Scotland Yard if the police were planning a “corporate charge” against News International.

“At no point prior to May 2012 did the Met inform News International or the MSC that any corporate entity was a suspect,” he said.

“It was only in early May 2012, following requests by the Metropolitan Police for information and documents that did not seem relevant to the matters understood to be under investigation in relation to individuals, that it appeared to the MSC the focus of the investigation had shifted to include the companies [News International and News Group Newspapers] without either company having been advised of this fact.

Later he added: “A suspect which is being asked to provide material for use in the investigation into its own liability is entitled to be advised that it is under suspicion in order that it can be advised of its rights and make informed decisions.”

Lord Grabiner said that, following the disclosure, the company was still “co-operating” but felt “obliged to proceed with some care”.

A senior Scotland Yard source said that after Ms Akers’ letter there was a “suspension in co-operation” whilst the UK lawyers “took advice” from the board directors in New York.

He added: “They subsequently resumed co-operation, but on a more challenging, legal-led basis resulting in delays.”

Lawyers for News Corp then continued to plead with the police not to pursue the company, raising the recent case involving Southwark Council, which avoided corporate manslaughter charges by providing full co-operation with an investigation into a fire that ripped through a dilapidated tower block, killing six people.

Since News Corp was informed of the development, a string of senior UK executives have left the company.

According to CPS guidelines, there appears to be no legal provision for dropping a corporate prosecution simply because a company under suspicion also happens to be a major employer.

However, the former Prime Minister Tony Blair ordered the cessation of a three-year Serious Fraud Office investigation into BAE Systems in 2006 as it would affect “thousands of British jobs”. Citing the “public interest”, Mr Blair said the defence giant should not be prosecuted for paying bribes worth hundreds of millions of pounds to the Saudi royal family in order to secure the multibillion-pound al-Yamamah arms contract.

When members of the Saudi government found out that the SFO was probing their personal Swiss bank accounts, they also threatened to cut off all intelligence to Britain.

Last night a spokesman for News UK said: “We have co-operated with all relevant authorities throughout the process and our history of assistance is a matter of record in Lord Justice Leveson’s report.”

A Scotland Yard spokesman said: “We are not prepared to discuss this.”

Explainer: How a company can be prosecuted

The Crown Prosecution Service can treat a company as a “legal person” who is “capable of being prosecuted”.

Any organisation at the centre of a criminal investigation “should not be treated differently from an individual because of its artificial personality”, according to the CPS.

The latest guidelines state: “A thorough enforcement of the criminal law against corporate offenders, where appropriate, will have a deterrent effect, protect the public and support ethical business practices.

“Prosecuting corporations, where appropriate, will capture the full range of criminality involved and thus lead to increased public confidence in the criminal justice system.”

A company can be found guilty if any potential offender can be established as the “directing mind and will” of the organisation.

The Independent asked the CPS to explain what the possible penalties were for a corporate charge, including fines and custodial sentences, but the press office refused to discuss “hypotheticals”.

Lawyers for News Corp believe the law on corporate prosecutions is a “mess” and have told the Met and CPS that any charge against the company will be vigorously challenged in court.

It appears the company is most concerned about the effect of corporate charges on the ability of News Corp to obtain unspecified “licences” in the United States.

A senior News Corp source said the “licences” are now under the domain of 21st Century Fox, the TV and film arm that was split from the newspaper group in June this year.

Timeline: Hacking saga

January 2007 Original phone-hacking prosecutions result in two convictions.

January 2011 Scotland Yard launches new investigation into phone hacking after embarrassing disclosures. Material seized years earlier is re-examined.

July 2011 Milly Dowler {*murdered 9 years previously, when she was aged 13*} hacking scandal breaks. News Corp establishes Management and Standards Committee (MSC) to co-operate with police.

October 2011 The Metropolitan Police internally identifies News International as corporate “suspect”.

November 2011 Leveson Inquiry starts.

April 2012 Met asks MSC { *News Corp’s internal Management and Standards Committee*} for “minutes of board meetings”.

May 2012 Deputy Assistant Commissioner Sue Akers tells MSC that company is under “active investigation”. News Corp’s co-operation with police dramatically scaled back.

June 2012 Rupert Murdoch announces plan to split News Corp in two. MSC tells Leveson Inquiry it would be a “dereliction of duty” to continue co-operating with Scotland Yard if police were planning a “corporate charge”.

December 2012 Leveson Inquiry concludes.

March 2013 Rupert Murdoch is secretly recorded telling staff that “payments for news tips from cops” have been “going on a hundred years”.

Link: <http://www.independent.co.uk/news/uk/crime/exclusive-met-investigating-rupert-murdoch-firm-news-international-as-corporate-suspect-over-hacking-and-bribing-offences-8771560.html>

* Extract from *The Sunday Times*, 25 August 2013:

Theresa May plans anti-slavery law to fight traffickers

SLAVE masters who bring immigrants to Britain and force them to work will face long prison sentences and be banned from running companies under an anti-slavery law announced today by Theresa May, the home secretary.

Whitehall sources say ministers are considering making the organisation of slavery an “aggravated” criminal offence, which would result in harsher jail terms for those

already found guilty of related crimes such as people trafficking, the production and sale of drugs and organised prostitution.

Those convicted of using abduction, threats or extortion to control slaves would face sentences of up to 14 years.



The slavery law will target those who traffic illegal immigrants into Britain (AVS/AFP/Getty)

The Modern Slavery Bill will also introduce court orders to ban those who traffic illegal immigrants into the UK from returning to areas in which they operated.

The announcement follows revelations in The Sunday Times last weekend of how young Vietnamese women are forced to work as sex slaves in British nail bars.

Writing in this newspaper today, May says: “The Sunday Times is playing an important role in exposing the modern slave trade. Last week’s investigation into the young Vietnamese women who are trafficked to Britain was shocking.”

Pledging to bring the “despicable criminals” involved in slavery to justice, she writes:

“TRASH to be TRIMMED”

“The harsh reality is that in 2013 there are people in this country who are being forced to exist in appalling conditions and often against their will.”

The victims “are, to all intents and purposes, slaves. Whatever the nationality of the victims, our first concern must be to free them. But in the long term, the only way to minimise the number of victims is to maximise the number of modern-day slave-drivers that we convict and imprison.”

This week The Sunday Times reports on the plight of Vietnamese children forced to work in cannabis farms in appalling conditions. The profits of the drug trade are often laundered through nail bars. The proposed anti-slavery bill, which has the support of David Cameron, will be introduced during the current parliamentary session.

The prime minister has personal experience of the devastation caused by slavery through his Nepalese nanny who was treated effectively as a slave by the family of a foreign diplomat, her former employers. Samantha Cameron recruited her from a charity that helps abused domestic workers after she fled her employers, who had refused to pay her.

MPs and anti-slavery campaigners described the bill as the first concerted move against the slave trade since that of William Wilberforce, the politician and philanthropist, two centuries ago.

May said it would introduce so-called trafficking prevention orders to prevent those convicted of involvement in the slave trade from resuming their criminal activities.

Like orders issued against sex offenders, they would restrict a gangmasters’ ability to own a company, work with children and young women and visit specified places or areas. The orders would be enforced through the use of a blacklist circulated to all ports and police forces.

May also wants the bill to encourage companies to oblige their suppliers not to use slave labour, raising the prospect of “naming and shaming” those that do. A “modern slavery commissioner” will also be created to oversee the changes.

Anthony Steen, the former Tory MP and now chairman of the Human Trafficking Foundation, welcomed the new bill. “Trading in human beings is now the second most lucrative criminal activity in the world and a new slavery act is urgently required to tackle this growing evil,” he said.

“It should include accurate definitions of the many crimes related to human trafficking; clarification of the powers for prosecuting and punishing traffickers, better provision for seizing criminal assets . . . better and more accessible compensation for victims; proper long-term support and protection for adult victims and better care and security for child victims.”

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Working filename: TRASh2TRiMMED-final.doc