

**UNDER STRICT EMBARGO
UNTIL 0600 ON SATURDAY 29 SEPTEMBER 2007**

**REPORT BY THE COMPTROLLER & AUDITOR GENERAL
OF AN INVESTIGATION**

**DRUG TRAFFICKING CONFISCATION FUND
CRIMINAL OFFENCES CONFISCATION FUND**

SEPTEMBER 2007

SECTION ONE ~ INTRODUCTION

1. In the Autumn of 2006, I published a consultation document on the programme of work which I proposed to undertake during 2007. In that document, I proposed to undertake a review of "Special Funds" i.e. a number of separate funds managed by the Treasury and Resources Department. The Treasury and Resources Department's list of such funds includes the Drugs Trafficking Confiscation Fund (DTCF) and the Criminal Offences Confiscation Fund (COCF)('the two Confiscation Funds').¹

2. At the beginning of 2007, the purpose and application of the two Confiscation Funds attracted the attention of various members of the States Assembly. In the light of that attention and following discussions with the Public Accounts Committee, I agreed to bring forward the review of the two Confiscation Funds which I had anticipated carrying out towards the end of 2007. This report is the outcome of that review. The terms of reference for this review are set out in Appendix One.

Background

3. The DTCF and the COCF exist in consequence of the provisions of various pieces of legislation and are managed in accordance with that legislation. The history of that legislation and the nature of its provisions are set out in Appendix Three to this report in respect of the DTCF and in Appendix Four to this report in respect of the COCF.

Background - DTCF

4. In brief, the DTCF was established in 1993 as the Drug Trafficking Seized Assets Fund (SAF) by the Finance and Economics Committee. To that date, the proceeds of Confiscation Orders under the Drug Trafficking Offences (Jersey) Law 1988 (the 1988 Law) had simply been added to the general revenue of the States. From that date, the SAF received the proceeds of any Confiscation Orders made under the 1988 Law and the proceeds of any asset-sharing agreements with other jurisdictions (ie assets shared with the Island's authorities by other jurisdictions helped by the Island to confiscate drug-trafficking related assets).

¹ 'Special Funds' are defined by the Public Finances (Jersey) Law 2005. For practical purposes, both the DTCF and the COCF have been treated by the Treasury & Resources Department as Special Funds. There is, however, some debate over the precise status of these two funds. The Public Finances (Transitional Provisions)(No1)(Jersey) Regulations 2005 specified that certain funds listed in the Regulations should be regarded as Special Funds for the purposes of the Public Finances (Jersey) Law 2005. The DTCF was included in the Regulations' list of Special Funds but the COCF was not. For the purposes of this report, I have concentrated upon the practical circumstances of the two funds.

5. The DTCF was constituted by the Drug Trafficking (Miscellaneous Provisions)(Jersey) Law 1996 (the 1996 Law) and took over from the SAF. Since the inception of the SAF, that fund and subsequently the DTCF have been supervised by a Steering Group (consisting largely of Chief Officers).
6. Since its inception in 1993 to 31 December 2006, the funds transferred to the DTCF (including funds transferred from confiscations and bank interest) have amounted to approximately £8.1 million. During the same period, the total amount paid from the DTCF was approximately £3.8 million in respect of grants and £0.1 million in respect of administration costs. The fund balance at 31 December 2006 was approximately £4.2 million.

Background - COCF

7. The COCF was created by the Proceeds of Crime (Jersey) Law 1999 (the 1999 Law) which empowered the Royal Court to make Confiscation Orders when it had determined that a defendant had benefited from relevant criminal conduct. The 1999 Law provided that the proceeds of any Confiscation Orders (and also of any asset-sharing agreements) should be paid to the COCF. No funds came to hand until 2003 when the COCF came into existence. The COCF has also been supervised by a Steering Group which also consists largely of Chief Officers.
8. Since its inception in 2003, the funds transferred to the COCF (including funds transferred from confiscations and bank interest) have amounted to approximately £13.3 million. During the same period, grants have amounted to approximately £2.6 million. The fund balance at 31 December 2006 was approximately £10.7 million.

Conduct of the review

9. In conducting this review, I have examined the records of the Treasury and Resources Department which have helpfully been collated by a member of that department's staff, Mr James Dixon.
10. I have also been assisted by discussions with members of the two Steering Groups which are responsible for managing the DTCF and the COCF. In addition, certain departments of the States have provided detailed information and further documents in response to a series of requests from me. A list of those who have assisted me in the course of this review is set out in Appendix Two to this report. I am grateful for all the assistance that has been offered to me in the course of this review.

Structure of the report

11. My findings in respect of the various issues that I have considered are set out in the following sections of this report, together with my consideration of the policy implications which it appears to me arise from my findings but first, in Section Two of this report, I will set out a summary of my findings and recommendations.

SECTION TWO ~ SUMMARY OF FINDINGS AND RECOMMENDATIONS

Statements of the transactions of the two Confiscation Funds (sections three and four)

12. I have been able to validate statements prepared by the Treasury and Resources Department of the transactions of the two funds. My detailed conclusions in this respect are set out in sections three and four of this report.

Standing of the two Confiscation Funds (section five)

13. As a result of my examination of the transactions of the two Confiscation Funds, the principal issue which concerned me related to the standing of the two funds and the way in which they have been used.

14. The existence of the two Confiscation Funds and the statutory requirement that the income of these funds shall not be treated as a part of the States' income has resulted in the consequence that:

- (1) States' expenditure, in excess of that approved by the States Assembly, has been funded by these two funds. The process by which this additional expenditure is approved is not transparent. This undermines the Assembly's control of States expenditure.
- (2) An unfortunate impression has been created that there is an incentive for inappropriate pursuit of cases which might lead to the confiscation of assets.

15. As I have not been able to establish that there is a substantial justification for requiring that funds transferred to the two Confiscation Funds should nor be treated as a part of the States' income, I recommend that:

- (1) Money currently paid into the two Confiscation Funds should become part of the general revenue of the States and should be paid into the Consolidated Fund.
- (2) The budgets of the departments concerned should be augmented to cover the money that previously came from the DTCF and the COCF. Thus, the budgets of the Home Affairs and Health and Social Services Departments would be augmented to cover the BaSS funding that in recent years has come from the DTCF. Similarly, the Police budget would be augmented to take account of the drug-related expenditure that has been funded by the DTCF. Finally, the budgets of

*Drugs Trafficking Confiscation Fund
Criminal Offences Confiscation Fund
Report of the Comptroller & Auditor General
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the Law Officers' Department and the Court Service would be augmented to cover the establishment costs that have been funded by the COCF.

- (3) The DTCTF should be closed.
- (4) Consideration should be given to retaining the COCF for the specific purpose of financing court and case costs which have in the past proved difficult to forecast and control. However, rather than the proceeds of Confiscation Orders being transferred automatically to the two Confiscation Funds as required by the existing laws, the transfers should be made from the Consolidated Fund on the basis of formal resolutions by the States Assembly. An annual statement of the Fund's transactions should be included in the States' Annual Accounts.

Other issues (section six)

16. A number of other aspects of the management of the two Confiscation Funds require re-consideration:

- (1) I recommend that the composition of the two Confiscation Funds' Steering Groups should be reviewed to ensure that, in both cases, they do not largely consist of Chief Officers whose departments are beneficiaries of grants from the funds.
- (2) The transactions of the two Confiscation Funds should be reported openly in the form of statements of accounts published by way of report to the States Assembly either separately or within the Annual Report and Accounts of the States of Jersey.
- (3) In presenting budgets and the Annual Accounts for the States of Jersey, the Treasury and Resources Department should report government expenditure gross of transfers to the States from the two Confiscation Funds so that both the total amount of government expenditure is more accurately reported and any transfers from the Funds are easily identified.
- (2) The provisions of the laws concerning the investment of the two Confiscation Funds should be reviewed and, in particular, consideration should be given to permitting more active investment of the monies held.

17. I intend to make use of my powers under the Public Finances (Jersey) Law 2005 to ensure that these funds are appropriately audited.

Implications for other Special Funds (section seven)

18. Consideration should be given to the implications of my findings and recommendations for other Special Funds.

SECTION THREE ~ DTCF ~ OBSERVATIONS

Introduction

19. In this section of the Report, I will set out my principal observations as a result of my review of the DTCF.

Transaction statements

20. I have confirmed that the Statement of Transactions set out in Appendix Five to this report correctly reflects the transactions of the DTCF as recorded in the documents which have been provided to me. Appendix Five includes a list of grant applications that are recorded as having been considered by the Steering Group and either approved or rejected. As shown in Appendix Five there is a small difference (approximately £15,000) between the total amount of grants paid (over fourteen years) according to the States' financial ledgers and the total amount paid according to the list of grants shown in Appendix Five. It has not been possible to explain this small difference.
21. I have reviewed the arrangements to control assets confiscated in anticipation of prosecutions and to transfer assets to the DTCF in accordance with orders of the Royal Court. I am satisfied that the arrangements are adequate to provide reasonable assurance that the DTCF has received all of the monies that should have been transferred.

Purposes of the DTCF

22. I have reviewed the records of the payments made by the DTCF to establish whether the decisions made concerning payments were consistent with the purposes of the DTCF as prescribed in the relevant law. The statutory provisions which created the DTCF also prescribe how it should be managed and applied. They are described in Appendix Three.
23. In practice, the DTCF Steering Group has considered each application for financial assistance by reference to criteria which it established for the purpose. These criteria are also described in Appendix Three. I confirm that, on the basis of the legal advice which I have obtained², it appears to me that these criteria are consistent with the purposes provided by the relevant law. In reaching this view, I have considered a number of questions and issues which are described in Section Six of this report.

24. I also confirm that it appears to me that the decisions made by the Steering Group to approve applications have been made consistently in accordance with the criteria established by the Steering Group.

Steering Group practices

25. I have reviewed the formal records of the meetings of the Steering Group and which show that the Steering Group has followed proper practice in terms of meeting regularly, considering applications on a formal basis and recording the decisions reached at its meetings. It is also evident that the Steering Group has, on occasions, rejected applications which it considered inappropriate. In a number of respects, however, it is apparent to me that the practices of the Steering Group could be improved. These matters are considered in Section Six of the report.

² Obtained from HM Attorney General in accordance with the provisions of the Public Finances (Jersey) Law 2005.

SECTION FOUR ~ COCF ~ OBSERVATIONS

Introduction

26. In this section of the report, I will set out my principal observations as a result of my review of the COCF.

Transaction statements

27. I have confirmed that the Statement of Transactions set out in Appendix Six to this report correctly reflects the transactions of the COCF as recorded in the documents which have been provided to me.

28. I have reviewed the arrangements to control assets confiscated in anticipation of prosecutions and to transfer assets to the COCF in accordance with orders of the Royal Court. I am satisfied that the arrangements are adequate to provide reasonable assurance that the COCF has received all of the monies that should have been transferred.

Purposes of the COCF

29. I have reviewed the records of the payments made by the COCF to establish whether the decisions made concerning payments were consistent with the purposes of the COCF as prescribed in the relevant law. The statutory provisions which created the COCF also prescribe how it should be managed and applied. They are described in Appendix Four.

30. In practice, the COCF Steering Group has considered each application for financial assistance by reference to criteria which it established for the purpose. These criteria are also described in Appendix Four. I confirm that, on the basis of the legal advice provided to me³, it appears to me that these criteria are consistent with the purposes provided by the relevant law. In reaching this view, I have considered a number of questions and issues which are described in Sections Five and Six of this report.

31. I also confirm that it appears to me that the decisions made by the Steering Group to approve applications have been made consistently in accordance with the criteria established by the Steering Group.

³ Obtained from HM Attorney General in accordance with the provisions of the Public Finances (Jersey) Law 2005.

Steering Group practices

32. I have reviewed the formal records of the meetings of the Steering Group and which show that the Steering Group has followed proper practice in terms of meeting regularly, considering applications on a formal basis and recording the decisions reached at its meetings. It is also evident that the Steering Group has, on occasions, rejected applications which it considered inappropriate. In a number of respects, however, it is apparent to me that the practices of the Steering Group could be improved. These matters are considered in Section Six of the report.

SECTION FIVE ~ PRINCIPAL ISSUE

Introduction

33. In this section of the report, and in the following section, I will deal with various issues and questions which arose in the course of my review. In this section of the report, I will deal with the principal issue which arose: the standing and purpose of the two Confiscation Funds. In the following section, Section Six, I will deal with all of the other issues which arose in the course of my review.

Standing of the two Confiscation Funds

34. As I have already explained in this report, I am persuaded that in managing these two Confiscation Funds, the Steering Groups have observed the requirements of the relevant legislation. In particular, this has involved compliance with the requirement that monies paid into either the DTCF or the COCF should not form part of the annual income of the States.⁴

35. This requirement has been observed in the sense that for book-keeping and accounting purposes, the monies transferred to the two Confiscation Funds have not been included within any reports of the income of the States (for example in the Annual Report and Accounts of the States of Jersey).

36. Although I am persuaded that the management of the two Confiscation Funds has observed this statutory requirement in a literal sense there is another, less literal sense, in which the statutory requirement has not been observed.

37. Since 2003, the two Confiscation Funds have largely been applied in meeting expenditure which had previously been met from the general income of the States.

38. For example, the DTCF has largely been applied to finance the Building a Safer Society (BaSS) programme. Before the inception of BaSS, the costs of the predecessor programmes⁵ had been met from the budgets of the Home Affairs and Health and Social Services Departments.

⁴ These provisions are described in Appendices Three and Four. The relevant Articles are: Article 24(3) of the Drug Trafficking (Miscellaneous Provisions)(Jersey) Law 1996 and Article 24(3) of the Proceeds of Crime (Jersey) Law 1999.

⁵ Substance Abuse Strategy and Community Safety Strategy.

39. Similarly, the COCF has been largely applied to meet the continuing establishment costs of the Law Officers' Department and latterly to meet the additional establishment costs that arose from the opening of the new Magistrate's Court.
40. The application of the two Confiscation Funds in these ways followed decisions made by the relevant Committee in 2003 in the context of a Fundamental Spending Review and represented a means of reducing pressure on the States' general budgets. In this way, the monies of the two Confiscation Funds have been treated as if they were a part of the annual income of the States.
41. This practice has had a number of consequences:
- (1) In the States' Plans⁶ and Accounts, the expenditure of the Law Officers' Department has generally been reported after deduction of monies transferred from the COCF, giving a misleading impression of the total expenditure incurred.
 - (2) The total amount of States expenditure has been reported and approved after deduction of transfers from the two Funds.
42. The effect is that the total expenditure of the Law Officers' Department, the Court Service and the BaSS has been approved by a process which has not been visible to the States Assembly which is responsible for approving States expenditure and receiving reports of actual expenditure.
43. In effect, the process appears to involve a small group of senior officials using segregated funds to meet the expenditure requirements of their departments separately from the normal process by which the States Assembly approves States expenditure.⁷

Further consequence

44. There is one further consequence which flows from the lack of transparency which the existence of the two Confiscation Funds has afforded to the approval of expenditure of the various departments concerned. The process is open to the criticism that the existence of the two Confiscation Funds and the segregation of their monies has created the impression that there are incentives for both the Law Officers' Department and the Police to go beyond the

⁶ In years before the 2008 draft business plan.

⁷ I acknowledge of course that this process is subject to the agreement from time to time of the Treasury and Resources Minister, an issue to which I will return in Section Six of this paper.

normal public interest in pursuing cases in which it might be possible to confiscate funds as a means of securing additional funding for their departments.

45. I should emphasise that I have not found objective evidence that the decisions of either the Law Officers' Department or the Police have been distorted by this alleged conflict of interests.
46. However, within the Island's compass, potential conflicts of interest are not infrequent. Nonetheless it is important that they are not created needlessly and that where they are unavoidable, appropriate steps are taken to ensure that they are managed effectively.

Purpose of the two Confiscation Funds

47. In considering this issue, I have investigated the reasons for the inclusion in the governing legislation of a requirement that the monies of the two Confiscation Funds should not form a part of the annual income of the States.
48. In particular, I have either reviewed or have caused to be reviewed:
- (1) The published propositions relating to the draft legislation which established the two Confiscation Funds;
 - (2) Where available, the records of debates in the States Assembly concerning the draft legislation;
 - (3) The documents held by members of the Steering Group concerning the origins of the two Confiscation Funds and;
 - (4) The files held by the Law Draftsman relating to the preparation of the legislation which now governs the two Confiscation Funds.
49. In none of these sources, have I found any explanation or justification for a requirement that the monies in the two Funds should not be treated as a part of the general income of the States.
50. In this process, it was suggested to me that representatives of other jurisdictions have suggested that if the proceeds of confiscations or asset-sharing agreements were to be included within the general revenue of the States, they might not be willing (or might be less willing) to enter into such agreements with the States. This suggestion was reflected in the original proposal of the Agent of the Impôts for the creation of a separate fund for assets seized in

connection with drugs trafficking.⁸ I have not been able to discover any documents supporting this suggestion.

51. Even if the suggestion were correct, it would not have any significance for the treatment by the States of assets confiscated under the Island's laws.

Assessment

52. In this case, the problem arises from the requirement that the monies transferred to the two Confiscation Funds should not form a part of the States' annual income. As I have explained, I have not found any documentary evidence of the reasons for the introduction of this requirement in respect of assets confiscated in accordance with the Island's laws.

53. In view of this and the fact that the existence of the two Confiscation Funds undermines the effectiveness of the States Assembly's approval of States expenditure, I recommend that:

- (1) Money currently paid into the two Confiscation Funds should become part of the general revenue of the States and should be paid into the Consolidated Fund.
- (2) The budgets of the departments concerned should be augmented to cover the money that previously came from the DTCF and the COCF. Thus, the budgets of the Home Affairs and Health and Social Services Departments would be augmented to cover the BaSS funding that in recent years has come from the DTCF. Similarly, the Police budget would be augmented to take account of the drug-related expenditure that has been funded by the DTCF. Finally, the budgets of the Law Officers' Department and the Court Service would be augmented to cover the establishment costs that have been funded by the COCF.
- (3) The DTCF should be closed.
- (4) Consideration should be given to retaining the COCF for the specific purpose of financing court and case costs which have in the past proved difficult to forecast and control. However, rather than the proceeds of Confiscation Orders being transferred automatically to the two Confiscation Funds as required by the existing laws, the transfers should be made from the Consolidated Fund on the basis of formal resolutions by the States Assembly. An annual statement of the Fund's transactions should be included in the States' Annual Accounts.

⁸ See paragraph 3-2 of Appendix 3.

SECTION SIX ~ OTHER ISSUES

Introduction

54. In this section of the report I will deal with the other issues that have arisen in the course of the review and that concern the management of the two Confiscation Funds.

Membership of the Steering Groups

55. As I have explained in Appendices Three and Four, the two Confiscation Funds are managed by Steering Groups which consist largely of Chief Officers of departments (or their representatives) which might be expected to make applications to the two Confiscation Funds for financial assistance. Until the introduction of ministerial government, the decisions and recommendations of the two Confiscation Funds were reported to the Finance and Economics Committee. This ensured that although the Steering Groups' recommendations might be influenced unduly by the Chief Officers whose departments might benefit from them, they were reviewed and approved by a Committee which included representatives of a broader range of interests.

56. Since the introduction of ministerial government, the recommendations of the two Steering Groups have been reported to and if necessary approved by the Treasury and Resources Minister. I emphasise that I make no criticism in any way of any action or decision taken by the Minister in respect of the two Confiscation Funds. However, in view of the narrowness of the current membership of the two Steering Groups, it may be thought wiser to review the membership of the two groups to ensure that a majority of their members does not represent departments which might expect to benefit from the two Confiscation Funds.

57. I therefore recommend that the composition of the two Confiscation Funds' Steering Groups should be reviewed to ensure that in both cases, majorities of the members do not suffer from mixed motives in this way.

Criteria

58. The Steering Groups for the two Confiscation Funds have prescribed criteria which they apply when considering applications for grant assistance from the Funds. The criteria set for applications to the DTCF assume that applications will be made by States' Departments. This assumption is less explicit in the case of the COCF although in practice I am not aware of successful applications that have come from any other source.

59. As far as the DTCF is concerned, I understand that there are private sector organisations which serve objectives which are closely related to the objectives of the DTCF which might be expected to be in a position to make suitable applications to the DTCF if its criteria were sufficiently broad.
60. I have therefore considered whether the approach adopted by the two Confiscation Funds in setting the criteria for considering applications has been unduly restrictive.
61. I have established that before the DTCF was created and with effect from 1988, when the Drug Trafficking Offences (Jersey) Law 1988 was promulgated, the proceeds of Confiscation Orders were regarded as a part of normal States income. Moreover, I have already recommended in this paper that the monies in the two Funds should be regarded as a part of the annual income of the States. Accordingly, it seems to me that the approach adopted by the two Steering Groups is not unreasonable.
62. Quite apart from any other considerations, the States' departments are responsible for developing and managing the policies of the States. If it were thought appropriate for grant assistance to be given to non-public sector bodies, it would be possible for appropriate schemes to be developed by States' departments which might then seek financial assistance from the two Confiscation Funds to support such grant schemes. Such an approach would have the advantage of assuring that any grant schemes that are established are appropriately integrated with States' policy as a whole.
63. As an example of this approach, I note that the funding that has been advanced by the DTCF to BaSS has enabled the group managing the BaSS programme to provide some grant assistance to other agencies where appropriate.
64. Accordingly, although it might be appropriate for the Steering Groups to review the criteria they have established, I do not express a view on whether the criteria should be broadened to include applications from non-public sector organisations.⁹

Transparency

65. Before the creation of the DTCF, the transactions of the predecessor Seized Assets fund were reported in a statement of its transactions which was included in the States' Annual

⁹ I note that, since 31 December 2006, the DTCF has considered two applications from organisations outside the public sector.

Accounts. In recent years, the activities of the two Confiscation Funds have not been reported in public. In particular, the transactions of the two Confiscation Funds have not been reported in the States Annual Report and Accounts.

66. To correct this position, the transactions of the two Confiscation Funds should be reported openly in the form of statements of accounts published by way of report to the States Assembly either separately or within the Annual Report and Accounts of the States of Jersey.
67. Furthermore, in presenting business plans, budgets and its Annual Accounts for the States of Jersey, the Treasury and Resources Department should report government expenditure gross of transfers to the States from the two Confiscation Funds so that both the total amount of government expenditure is more accurately reported and the transfers from the Funds are easily identified.

Application of the two Confiscation Funds

68. In the event that the recommendations that I have made at the end of Section Five are not implemented, the two Steering Groups should give consideration to re-directing the available monies to purposes other than meeting the continuing establishment costs of the States departments in general and the Law Officers' Department and the Court Service in particular. I note that this would be consistent with the original proposals for application of the predecessor of the DTCTF. In my view, these continuing establishment costs should be met as charges against the annual income of the States.
69. As far as the Law Officers' Department is concerned, it may be more appropriate for the COCF to be applied to meet the continuing costs of managing cases.
70. At present court and case costs are met from the annual income of the States. The existing arrangements have proved difficult to manage because these costs have proved difficult to forecast. They have been unpredictable and have caused difficulty in the management of the States' finances.
71. This difficulty could be reduced if such costs were to be met from the COCF.

Investment policy

72. The laws governing the two Confiscation Funds require that monies held by the two Confiscation Funds should be placed in deposit accounts opened for this purpose. Any interest

earned on these deposit accounts is then added to the balances available within the two Confiscation Funds. In other words, neither the Steering Groups nor the Treasury and Resources Department are empowered by the governing laws to adopt a more active investment management strategy.

73. The conservatism of these requirements may reflect the uncertainty of those drafting the legislation about the amount of the monies that might be held by these two Confiscation Funds. In the event, the monies held by the two Confiscation Funds held are substantial and are sufficient to meet the planned obligations for some years.

74. In these circumstances, the provisions of the laws concerning the investment of the monies should be reviewed and, in particular, consideration should be given to permitting more active investment of the monies held.

Audit

75. In 2003, the Finance and Economics Committee resolved that the two Confiscation Funds should be audited as a Special Fund. In practice, I understand that Special Funds are audited on a 'total' basis: ie all of the Funds are audited together on the basis of the funds held and transactions of all of the Special Funds taken together. The transactions of each of the Special Funds are not audited separately. I understand that this approach was originally adopted by the Treasury and Resources Department in the interests of reducing what it regarded as inappropriate professional charges.

76. This approach has had the unfortunate effect that when questions arose concerning the application of the two Confiscation Funds, it was not possible to respond by referring to the reports of duly appointed auditors.

77. I am advised that my powers extend to these two Confiscation Funds¹⁰ (and other Special Funds) and therefore propose to make arrangements for appropriate audits of the two Confiscation Funds on an annual basis.

¹⁰ Indeed, this report has been prepared under these powers.

SECTION SEVEN ~ OTHER SPECIAL FUNDS

Introduction

78. In the course of reviewing the two Confiscation Funds, I became aware of certain matters concerning other Special Funds managed by the States. Whilst these matters did not arise as a result of a comprehensive review of those other funds, it nonetheless seemed appropriate to report them now.

Investment management

79. I became aware that, in accordance with the relevant laws, there has been no active investment management of the two Confiscation Funds. I also became aware that although other Special Funds may not be subject to similar legal provisions, in practice the other Special Funds' monies have not been actively managed.

80. Consideration should be given to pooling and unitising the monies held by other Special Funds so that they may be more actively managed on a pooled basis.

81. Moreover, where the monies held are small, consideration should be given to the possibility of avoiding administrative expense by merging or closing the funds concerned.

Audit arrangements

82. As I have explained in Section Six of this report, Special Funds have not been separately audited.

83. I intend to consider the use of my powers under the Public Finances (Jersey) Law 2005 to make appropriate arrangements for such audits to be performed on a regular basis.

APPENDIX ONE ~ TERMS OF REFERENCE

1-1. This review is commissioned in accordance with the powers of the Comptroller & Auditor General as set out in the Public Finances (Jersey) Law 2005 to take place in the light of:

- (1) inclusion of a review of Special Funds in the C&AG's proposed programme for 2007; and
- (2) public interest in management and transactions of the DTCF and the COCF ('the two Confiscation Funds).

1-2. The purpose of the review is to examine:

- (1) statements prepared by the Treasury and Resources Department of the transactions of the two Confiscation Funds;
- (2) the arrangements by which confiscated assets are managed and then, if appropriate, transferred to the two Confiscation Funds;
- (3) the arrangements for the management and application of the two Confiscation Funds;
- (4) the extent to which the two Confiscation Funds have been managed and applied in accordance with their governing laws; and
- (5) any other issues that arise from the matters listed above.

1-3. The outcome of the review will be a report prepared and published in accordance with the provisions of the Public Finances (Jersey) Law 2005.

APPENDIX TWO ~ LIST OF PEOPLE WHO CONTRIBUTED TO THE REVIEW

T Allen	Chief Clerk and Accounting Officer, Law Officers' Department
S Austin Vautier	Chief Officer, Home Affairs Department
W Bailhache	HM Attorney General
I Black	Treasurer of the States
I Dyer	Health and Social Services Department
M de la Haye	Greffier of the States
J Dixon	Treasury and Resources Department
E Middleton	Finance Director, Home Affairs Department
G Power	Chief of Police
I Rogan	BaSS
N Truscott	Viscount's Department
M Wilkins	Judicial Greffier

APPENDIX THREE ~ DRUGS TRAFFICKING FUND

BACKGROUND

Drug Trafficking Offences (Jersey) Law 1988

3 - 1 By virtue of the Drug Trafficking Offences (Jersey) Law 1988 (the 1988 Law), it became possible, if certain conditions were satisfied, for the Royal Court to make a Confiscation Order in respect of a person who appeared before the Royal Court to be sentenced in respect of one or more drug trafficking offences. Such orders could be made where the Royal Court determined that the person concerned had received any payment or other reward in connection with drug trafficking carried on by him or another. The 1988 Law did not specify what should be done with the proceeds of such Confiscation Orders with the result that all assets seized under the 1988 Law accrued to the benefit of the general revenue of the States.

Seized Assets Fund

3 - 2 On 26 June 1992, the Agent of the Impôts and the Chief Officer of Police proposed that a Drug Trafficking Seized Assets Fund should be established for the purpose of directing a proportion of confiscated drug trafficking funds against drugs misuse and drug trafficking. The reasons for the creation of this Fund were set out in the proposal in the following way:

"Since the introduction of the Drug Trafficking Offences Law it has become clear that substantial financial drug trafficking assets are being deposited with financial institutions in the island. Several million pounds have been identified by the combined Customs and Police Drug Trafficking Offences Unit as being the probable proceeds of drug trafficking in other countries. A proportion of these proceeds merely pass through the island for money laundering purposes but a significant amount remains on deposit.

Investigations are currently being carried out on behalf of the United Kingdom, America and Australia and it is possible that the Royal Court will be asked to apply external Confiscation Orders in due course.

Even if the current investigations do not result in successful prosecutions, it is inevitable, with the current level of international drug trafficking, that a significant proportion of assets will continue to be laundered through Jersey and, hopefully, result in Confiscation Orders. Under Article 22(b) of the Customs and Excise General Provisions (Jersey) Law 1972, officers seize imported and exported money and goods if they have reasonable suspicion to suspect they may be the proceeds of drug trafficking.

At the present time, the States' Treasury are holding approximately £45,000 in cash and £420,000 worth of gold ingots as a result of seizures by the Impôts Department.

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Although appeals are pending for some of these seizures, it is thought likely that a large proportion will be confiscated by the Court.

The American government already has in place a Drug Trafficking Assets Fund and a confirmed policy of sharing a proportion of the confiscated assets with enforcement agencies who have assisted them during their investigations. The United Kingdom Police and Customs have recently received substantial financial reward under this arrangement.

The Combined Drug Trafficking Offences Unit has received correspondence from the U.S. Department of Justice expressing immense gratitude for their outstanding assistance in helping to facilitate an asset forfeiture. The letter also indicates that the U.S. Department of Justice is prepared to discuss the possibility of sharing a proportion of the forfeited assets with the Island authorities.

However, as a matter of policy, the United States do attach a condition to the sharing of their confiscated assets with other countries. The financial reward should be placed in a Fund which is made available to agencies involved in the fight against drug trafficking and drug abuse. As a result of this condition, the United Kingdom has established a Seized Assets Fund which became operational in April 1992. This Fund has to date received £3.2 million from the Americans.

- 3 - 3 At its meeting on 7 September 1992, the Finance and Economics Committee accepted the recommendation in the paper dated 26 July 1992 and authorised the Treasurer of the States to establish a Drug Trafficking Seized Assets Fund which should be managed in accordance with the recommendation of the Agent of the Impôts. The Agent's recommendation was that the Fund should be managed in accordance with the following principles:

"The main criteria for access to the Fund should be that the money is used to finance drug related projects . . . due to the uncertain level of funding it is recommended that the Fund is principally used to finance non-recurring expenditure which would not normally be included in department's operating budget.

A Steering Group should be convened, comprised of representatives of interested States' departments, including Treasury, Treasurer of the States, Chairman, Health, Education, Customs, Police and Prison.

Departments should consider their own requirements at least one year in advance and submit their bid, in order of priority, to the Steering Group who will consider the merits of each bid. As a Fund becomes established, it may be possible for departments to submit certain proposals to the Steering Group three years in advance.

This advanced planning should assist with medium term strategic planning and enable the Treasurer of the States to more fully advise the Finance and Economics Committee as to the proposed level of spending through the Fund.

It should also assist the Treasurer to make a judgement as to whether or not he recommends to Committee that money in excess of the proposed expenditure be transferred to the general revenue of the States.

Provision should also be made for departments such as Customs and Police to have access to the Fund at short notice in order to finance specific unforeseen drug related operations.

Committee should also decide whether they wish to adopt a policy of asset sharing with overseas administrations where significant amounts of money are confiscated as a result of international co-operation."

- 3 - 4 Subsequently the Steering Group established criteria against which applications for transfers from the Fund should be considered. In particular the guidelines provided that expenditure should be eligible for consideration if fulfilled the following guidelines:

". . . The main criterion for access to the Fund should be that the money is used to support projects aimed at reducing illegal drugs in Jersey. An overwhelming proportion of the project (at least 80%) should target illegal drugs. Due to the uncertain level of funding, the Fund must only be used to finance non-recurring expenditure which would not normally be included in the department's operating budget."

Drug Trafficking (Miscellaneous Provisions) (Jersey) Law 1996

- 3 - 5 In the Drug Trafficking (Miscellaneous Provisions) (Jersey) Law 1996 (the 1996 Law), various amendments were made to the 1988 Law and, in particular, provision was made for the establishment was made for a new Drug Trafficking Confiscation Fund (DTCF). The DTCF was to be managed and controlled by the Finance and Economics Committee.

- 3 - 6 The 1996 Law provided that all amounts recovered under or in satisfaction of the consideration or received under an asset sharing agreement should be paid into the Fund. It also provided that:

"Monies paid into the Fund should not form part of the annual income of the States."

- 3 - 7 Monies in the DTCF were to be applied by the Committee for the following purposes of:

- "(a) In promoting or supporting measures which, in the opinion of the Committee, may assist in:*
- (i) in preventing, suppressing or otherwise dealing with drug trafficking or the misuse of controlled drugs;*
 - (ii) in dealing with the consequences of the misuse of controlled drugs or;*
 - (iii) without prejudice to the generality of clauses (i) and (ii) in facilitating the enforcement of any enactment dealing with drug trafficking or the misuse of controlled drugs;*

- (b) discharging the island's obligation under asset sharing agreements; and*
- (c) meeting the expenses incurred by the committee in administering the Fund."*

3 - 8 However, where the Committee proposed to apply the DTCF for purposes under (a) above, it was enjoined by the 1996 Law to consult the Attorney General and any other appropriate persons or bodies beforehand.

3 - 9 Monies held by the DTCF were to be placed in a current or deposit account with one or more banks selected by the Committee and any interest earned on these monies was to be paid into the Fund.

Ministerial government

3 - 10 On the introduction of ministerial government at the end of 2005, the functions of the Finance and Economics Committee with regard to the DTCF were transferred to the Minister for Treasury and Resources. The Steering Group continued as before.

APPENDIX FOUR ~ CRIMINAL OFFENCES CONFISCATION FUND

BACKGROUND

Proceeds of Crime (Jersey) Law 1999

4 - 1 By virtue of article 3 of the Proceeds of Crime (Jersey) Law 1999 (the 1999 Law), the Royal Court was empowered to make Confiscation Orders when it had determined that a Defendant had benefited from relevant criminal conduct. The 1999 Law provided that the sum the Defendant was required to pay by Confiscation Order should be equal to the benefit in respect of which the order was made or the amount which the Royal Court considered would be the amount that might be realised at the time the Order was made, whichever was the less.

4 - 2 Article 24 provided that sums recovered under a Confiscation Order (together with sums received under asset sharing arrangement) should be paid into a fund called the Criminal Offences Confiscation Fund (COCF). This Fund was to be managed and controlled by the Finance and Economics Committee.

4 - 3 Article 24(3) of the 1999 law provided that:

"Monies paid into the Fund shall not form part of the annual income of the States".

4 - 4 The 1999 Law also provided that monies in the COCF were to be applied by the Committee for the following purposes:

- "(a) Promoting or supporting measures which, in the opinion of the Committee, may assist in:*
 - (i) in preventing, suppressing or otherwise dealing with criminal conduct;*
 - (ii) in dealing with the consequences of criminal conduct or;*
 - (iii) without prejudice to the generality of clauses (i) and (ii) in facilitating the enforcement of any enactment dealing with criminal conduct.*
- (b) discharging the island's obligation under asset sharing agreements; and*
- (c) meeting the expenses incurred by the committee in administering the Fund."*

4 - 5 Article 24(5) provided that the Attorney General is to be consulted before any monies from the COCF are applied under sub-paragraph (a) above.

4 - 6 Article 24(6) provides that monies paid into the COCF are to be held in the custody of the Treasurer of the States or placed in the name of the States in a Current or Deposit Account with one or more banks selected by the Committee and that any interest earned on such monies should be paid into the Fund.

Governance of the COCF

4 - 7 Subsequently the Finance and Economics Committee considered the proper governance of the COCF and, at its meeting of 2 September 2003, reached the following conclusions:-

"Having noted the background to the present situation, the Committee recognised that the Treasurer of the States and HM Attorney General had now agreed how the Fund should be administered and its proposed terms of reference (having been mindful of previous comments of the Audit Commission in relation to other 'Special Funds'), as follows:

- (a) monies paid into the Fund should not form part of the annual income of the States;*
- (b) the Fund should be administered by the Treasurer of the States and audited as a Special Fund;*
- (c) surplus funds will be placed on deposit and interest credited to the Fund.*
- (d) a Steering Group would be set up with the Attorney General, the Treasurer of the States, the Deputy Greffier of the States and Mr M Wilkins (currently Judicial Greffier/Viscount) as members;*
- (e) the Steering Group were to have delegated authority from the Finance and Economics Committee to administer the Fund;*
- (f) the Steering Group would set out criteria for expenditure from the Fund and for the receipt of income and to consider requests for funds;*
- (g) the Steering Group would meet at least twice a year and would report to the Finance and Economics Committee following the production of Annual Accounts.*

In relation to the composition of the proposed Steering Group, the Committee noted that this would be reviewed from time and might, for example, include another Chief Officer (possible the Director of the Home Affairs Department). The Committee having agreed that the Steering Group should give consideration to the proposed criteria for expenditure from the Fund, decided that it would wish to confirm such criteria in due course. The Committee further agreed that it would give further consideration to delegating authority to the Steering Group at a subsequent meeting."

4 - 8 In due course, the Steering Group considered proposed criteria for COCF funding applications. The principal paragraphs of the criteria read as follows:

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(1) The COCF will generally be applied in promoting or supporting measures that may assist in:

- (a) discharging Jersey's obligations under asset sharing arrangements;*
- (b) preventing, suppressing or otherwise dealing with criminal conduct;*
- (c) dealing with the consequences of criminal conduct;*
- (d) facilitating the enforcement of any enactment dealing with criminal conduct;*
- (e) meeting the expenses of administering the COCF.*

(2) Recognising that the income into the COCF will be irregular and uncertain, a primary consideration will be the sustainability of any commitments agreed. There will be a presumption against funding significant revenue expenditure out of the COCF unless such expenditure is in a liquidated sum relating to a project of less than three year's duration or the balance of the COCF is sufficient to meet long term commitments.

(3) Recognising that the income into the COCF is frequently derived from cases which carry a high international or domestic profile, a further primary consideration is the need to demonstrate an ability to meet international commitments and/or the requirements of international bodies such as the International Monetary Fund and the Financial Action Task Force.

(4) Priority will be given to requests which enable the delivery of services or the provision of measures for which funding is not otherwise available. Subject to the criteria, the COCF will be applied in the following order:

- (a) payment of legal expenses incurred in asset seizure cases then;*
- (b) discharging international obligations then;*
- (c) preventing criminal conduct then;*
- (d) dealing with the consequences of criminal conduct and then;*
- (e) other requests.*

(5) Funding will not normally carry a high priority therefore where:

- (i) the expenditure relates to recurring expenditure such as would normally be provided for within departmental budgets;*
- (ii) the request relates to the funding of departmental core activity;*
- (iii) the request does not generally relate to legal or administrative expenditure;*
- (iv) alternative funding options are available and remain unexplored;*

- (v) *when the request is not endorsed by the departmental Chief Officer and supported by the President of any relevant committee."*

4 - 9 These criteria were considered and approved by the Finance and Economics Committee at a meeting on 16 December 2004. Further, the Committee delegated to the Steering Group authority to make spending decisions in accordance with the criteria up to a level of £100,000 for recurring items and £500,000 for one-off requests.

Ministerial government

4 - 10 With the introduction of ministerial government, the responsibilities of the Finance and Economics Committee with regard to the COCF were transferred to the Treasury and Resources Minister.

APPENDIX FIVE
Drug Trafficking Confiscation Fund
Summary of transactions 1991-2006

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Totals
INCOME															
Net funds received (eg confiscations and asset-sharing agreements) - see note 1 below	67,397	67,746	220,840	16,441	677,026	37,329	1,098,648	328,825	63,304	-844	250,948	2,886,359	796,378	943,706	7,454,103
Bank interest	30	4,803	12,765	11,434	44,352	61,929	66,159	70,903	65,125	44,040	26,797	30,150	101,177	155,646	695,310
	67,427	72,549	233,605	27,875	721,378	99,258	1,164,807	399,728	128,429	43,196	277,745	2,916,509	897,555	1,099,352	8,149,413
Less: PAYMENTS															
Grants paid - see note 2 below Administration		-14,974	-77,695	-102,807	-78,802	-184,120	-512,492	-522,375	7,832	-671,793	-311,527	-324,912	-517,004	-527,043	-3,837,712
							-2,140	-80,158		-8,290	-605	-3,009	-2,641	-18	-96,861
	67,427	57,575	155,910	-74,932	642,576	-84,862	650,175	-202,805	136,261	-636,887	-34,387	2,588,588	377,910	572,291	4,214,840

Notes

1: Net funds received take account of adjustments in respect of amounts due to other jurisdictions under asset-sharing agreements

2: The total amounts of grants paid shown in this schedule are taken from the States' financial ledgers.

The amounts shown in the attached list of grants are taken from the records of the Steering Group.

There is a small difference (£15,017) between the two totals for grants paid which it has not been possible to reconcile.

APPENDIX FIVE
Drug Trafficking Confiscation Fund
List of accepted and rejected projects

Project	Year	Date of Minute	Amount Approved	Amount Declined	Spent to date	Reason for decline
1. Customs - Imaging system	1994	25/05/94	15,000		14,974	
2. Police - Video System	1994	25/05/94	10,800		10,800	
3. Education - Training	1994	25/05/94	24,000		24,000	
4. Education - Drug Prevention Work	1994	25/05/94	3,500		2,149	
5. Health - Health Related Behaviour Questionnaire	1995	22/06/95	10,000		8,712	
6. Police - Rouge Bouillon Intelligence Office	1995	22/06/95	75,000	40,000	74,222	Not coordinated with departments
Crime Prevention Panel	1995	22/06/95	60,000		59,238	
7. Customs - Radio Communications	1995	22/06/95	200		200	
8. Education - Drug Awareness Competition	1995	22/06/95	2,832		3,321	
9. Misuse of Drugs Action Group	1995	22/06/95	1,200		-	
10. Misuse of Drugs Action Group	1995	22/06/95	409,318		317,033	
11. Substance Misuse Strategy Rolled Up Budget from 1995 to 2000	1995		71,750		-	Minute has not been found
11. Substance Misuse Strategy 2001	1995		37,500		-	Minute has not been found
11. Substance Misuse Strategy 2002	1995		44,000		-	Minute has not been found
11. Substance Misuse Strategy 2003	1995		37,500		-	Minute has not been found
11. Substance Misuse Strategy 2004	1995		13,576		-	Minute has not been found
12. Police - Training	1996	14/12/95	50		70,483	
13. Asset Forfeiture Seminar	1997		17,000		554	Minute has not been found
14. Customs Intelligence System	1997	08/05/97	2,000		16,949	Minute has not been found
15. Prison - Playhouse Scheme	1997	08/05/97	40,000	not recorded	2,000	Minute has not been found
Academic study grant	1997		7,684		14,494	
16. Finance & Economics-Crime and Drugs Strategy Unit - Contingency Fund	1997	08/05/97	11,500		7,684	
17. Drugs Strategy Unit - Computer Equipment	1997		25,000		11,143	Minute has not been found
18. Customs - Contraband Detector	1997		4,000		25,175	Minute has not been found
19. Customs - X-ray Inspection System	1998	17/02/98	38,000		-	
Youth Service	1998	17/02/98	4,000		37,996	
20. Health - Awareness Campaign	1998	17/02/98	12,200		11,280	
21. Health - Research re drug use by 16-25 year olds	1998	13/05/98	3,000		2,860	
22. Harm Reduction Conference	1998	14/05/98	600		600	
23. SLR - Sports for all Day	1998	15/05/98	11,000		10,953	
24. Police - Endoscope	1998	16/05/98	2,500		2,517	
25. Harm Reduction Conference	1998	22/09/98	7,000		6,156	
26. Customs - Training Initiative for Customs officers	1998	22/09/98	66,675		65,517	
27. Customs - Sea vessel	1998	22/09/98	-	Not Minuted	-	Not minuted
CTV Documentary	1998	22/09/98	-	10,000	-	Not minuted
Combating Drugs Conference	1998	22/09/98	-	10,000	-	strength of application
Police - Surgeons Conference	1998	08/12/98	16,400		16,400	
28. Health - Refurbishment of Pharmacy	1998	08/12/98	44,575		44,575	
29. Customs - Technical equipment	1998	08/12/98	106,000		101,801	
30. Customs - IT Support for Drugs Intelligence Bureau	1998	08/12/98	30,000		30,000	
31. Harm Reduction Conference	1999	16/03/99	8,467		2,117	
32. Health - Research into Emotional & Behav. Support in Primary School Children	1999	16/03/99	114,000		113,000	
33. Police - Confidential	1999	16/03/99	2,125		-	
34. SLR - Sport For All Day	1999	16/03/99	4,740		-	
35. Harm Reduction Conference	1999	16/03/99	520,000		462,121	
36. Police - Confidential No.2	1999	20/07/99	13,800		13,800	
37. Health - Alcohol & Drugs Service - Shared Care Community Methadone Programme	1999	20/07/99	41,000		7,880	
38. Health - Methadone Co-ordinator	1999	12/11/99	15,000		12,819	
39. Health - Jersey Addiction Group	1999	12/11/99	10,000		20,000	
40. Customs - Airport / Harbours Departure Posters	1999	20/07/99	700		1,100	
41. Education - Student Guides	2001	06/03/01	30,310		65,310	
42. Prison - Drug Detection Equipment	2001	06/03/01	50,000		50,000	
43. Customs - CCTV Surveillance System	2001	06/03/01	59,620		-	Cost and value
Probation and Police - Research	2001	06/03/01	49,594		49,594	
44. Health - Outreach Needle Exchange Worker	2001	04/09/01	47,000		47,000	
45. Customs - Drug Detection Dog Facility	2001		293,069		292,099	
46. Customs and Harbours - Elizabeth Terminal Custody Suite	2001	13/12/01	-	950,000	-	Was not 80% for substance misuse - therefore failed basic criteria
Salvation Army Residential Aftercare accommodation	2002	05/03/02	5,000		-	
47. Customs - Covert Surveillance Equipment	2002	10/10/02	-		5,000	

APPENDIX FIVE
Drug Trafficking Confiscation Fund
List of accepted and rejected projects

Project	Year	Date of Minute	Amount Approved	Amount declined	Spent to date	Reason for decline
48. Customs - Tape Recording Equipment	2002	11/10/02	13,200		13,200	
49. Prison -Healthcare Services Booklet	2002	12/10/02	2,705		2,705	
50. Prison - Drug & Alcohol Database	2002	13/10/02	5,800		5,800	
51. Prison - Drug Training & Support	2002	14/10/02	48,600		42,845	
52. Police Cozart Rapsican	2003	06/03/02	6,744		6,744	
53. Police Operation Dart	2003	06/03/02	33,839		33,839	
54. Harm Reduction Conference	2003	06/03/02	1,501		1,501	
55. Police Open Integrated Intelligence Database	2003	06/03/02	55,000	36,420		Was not solely for substance misuse - therefore failed basic criteria
56. Police Driver Training for Customs	2003	17/06/03	10,500		10,500	
57. Police Training of Surveillance Instructors and Rural Surveillance Officers	2003	17/06/03	32,970		32,970	
58. Police Rat on Rat Campaign	2003	17/06/03	3,500		3,500	
59. Police DNA Awareness Campaign	2003	17/06/03	9,000		9,000	
60. Police Covert Stab/Ballistic Resistant Vests	2003	07/08/03	20,000		19,830	
61. Police High Speed A3 Colour Printer	2003	07/08/03	2,269		2,269	
62. Police Intelligence and Investigation System with Scanning Capability	2003	07/08/03	75,000		75,000	
63. Customs & Immigration Testing Equipment for the Presence of Class A Drugs	2003	07/08/03	6,403		6,403	
64. Customs & Immigration Banned Substance Recovery Equipment (Drugstop)	2003	07/08/03	8,245		8,245	
65. Police Rooms for Drug Squad and Surveillance Teams	2003	18/12/03	90,000		90,000	
66. Police Specialist Audio Equipment	2003	18/12/03	51,250	109,260		Was not solely for substance misuse - therefore failed basic criteria
67. Official Analyst Lab Automated Solid Phase Extraction System	2003	18/12/03		39,870		strength of application
68. Alcohol & Drug Service Residential Rehab for Drug Misusers	2003	18/12/03	22,232	10,000		Was not solely for substance misuse - therefore failed basic criteria
69. Customs Public Relations Plan re Drug Sentencing Policy in Jersey	2003	18/12/03	90,000		90,000	
70. Classroom /Drug Awareness Course - La Moye Prison	2003	18/12/03	10,000			Was not solely for substance misuse - therefore failed basic criteria
71. Counselling Education Facility - La Moye Prison	2004	04/05/04	5,000			precedent
72. Reward of Covert Human Intelligence - States of Jersey Police	2004	04/05/04	5,775			
73. Informant Handlers Course - States of Jersey Police	2004	04/05/04	12,000			
74. Video recording - Joint Customs/States of Jersey Police	2004	04/05/04	9,500			
75. Testing Equipment for the presence of drugs - Alcohol and Drugs Service	2004	04/05/04	32,500	40,000		strength of application
Project 11 transfer to Community Grants Panel	2003		7,000			
Project 11 transfer to Community Grants Panel	2004		25,000		25,000	
Project 11 transfer to Community Grants Panel	2004		18,000		18,000	
Project 11 transfer to Community Grants Panel	2005		25,000		25,000	
Jersey Addiction Group	2005			100,000		Was not solely for substance misuse - therefore failed basic criteria
Police - Technical Equipment	2005	17/01/05	173,000			
Building a Safer Society 2005	2005	15/04/04	510,000		509,110	
Building a Safer Society 2006	2005	15/04/04	522,750		527,029	has been paid in 2007
Building a Safer Society 2007	2005	15/04/04	535,819			
Building a Safer Society 2008	2005	15/04/04	549,214			
Building a Safer Society 2009	2005	15/04/04	562,945			
Police - RIPL implementation costs	2006	25/10/06	732,300			has been paid in 2007
Police - RIPL implementation costs	2007	03/01/07	437,000			has been paid in 2007
Customs - X-ray equipment	2006	25/10/06	165,000			has been paid in 2007
Difference unreconciled					3,822,695	
					15,017	
Totals			7,324,775	Spent	3,837,712	

*APPENDIX SIX
Criminal Offences Confiscation Fund
Summary of transactions 2003-2006*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Totals</u>
INCOME					
Funds transferred	10,928,358			824,988	11,753,346
Interest	140,749	462,361	493,481	497,946	1,594,537
	<u>11,069,107</u>	<u>462,361</u>	<u>493,481</u>	<u>1,322,934</u>	<u>13,347,883</u>
Less: PAYMENTS					
Grant to Law Officers	-278,183	-305,099	-315,947	-562,852	-1,462,081
Grant to Greenfields			-750,000		-750,000
Grant to Judicial Greffe				-310,000	-310,000
Grant to Home Affairs -RIPL				-145,000	-145,000
	<u>10,790,924</u>	<u>157,262</u>	<u>-572,466</u>	<u>305,082</u>	<u>10,680,802</u>