**Adult gang members and their children’s contact with Ministry of Social Development service lines**

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**Disclaimer**

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# Executive summary

This research seeks to inform policy work around the Gang Action Plan to reduce the harms caused by adult gangs in New Zealand. The report establishes baseline figures on how many known adult gang members, and how many of their children, come into contact with the Ministry of Social Development’s (MSD’s) service arms, and the types and estimated total costs of contacts that occur.

The findings in this report are not implying that the gang members’ and their children’s contact with MSD service lines was due solely to their links to gangs.

As at July 2014, there were an estimated 3,960 adult gang members[[1]](#footnote-1) known to New Zealand Police (NZ Police).[[2]](#footnote-2) While these individuals were known to be adult gang members in mid-2014, they were not necessarily gang members at the time they had some of their contact with MSD service lines.

**Limitations**

The findings of this research were based on a probabilistic data match by Insights MSD between names and dates of birth held by NZ Police and those held by MSD. Inevitably this means that the data-match results, and therefore the subsequent findings, will have some degree of error.

There are limitations to Child, Youth and Family data discussed in the report body which mean that findings relating to “lifetime” contact rates and costs in particular are likely to be under-estimates and should be treated with some caution. To a much lesser extent, this is also true of the welfare assistance findings.

There was particular interest in identifying the children of gang members recorded in the MSD data, and measuring their levels of contact with MSD. While there were around 6,000 to 7,000 children linked to the gang members in the two MSD source systems examined, there is no way to know whether this was all of the gang members’ children.

## Profile of known adult gang members as at July 2014

Most (86 percent) of the 3,960 known adult gang members were patched, with the other 14 percent being prospects. Patched members and prospects were all male.

The two largest adult gangs, the Mongrel Mob and Black Power, accounted for two-thirds of all known adult gang members in New Zealand as at July 2014.

Over three-quarters of adult gang members were Māori, 14 percent were European and eight percent were Pacific peoples.

Gang members ages were spread with 20 percent being in their twenties, 29 percent in their thirties, 31 percent in their forties and 17 percent in their fifties. The average age of gang members was nearly 40 years.

The geographical spread of gang members was different from that of the general New Zealand population in terms of proportionally fewer residing in the wider Auckland region or the South Island. A little under one in five gang members were recorded as living in each of the Auckland, Bay of Plenty and Eastern districts of the North Island. Just under 10 percent of gang members were residing in the South Island in July 2014.

## Welfare assistance received by gang members

**Nine out of every ten gang members have received main benefits**[[3]](#footnote-3)

Ninety-two percent (3,627) of the total 3,960 known gang members received main benefits from MSD at some stage between 1 January 1993 and 31 December 2014.[[4]](#footnote-4)

The 3,627 gang members spent on average 8.9 years on a main benefit (not necessarily continuously). Over half the time was receiving job seeker-related benefits and nearly a quarter of the time was receiving health or disability-related benefits.

Eighteen percent of all gang members had received a main benefit for a total of over 15 years, whereas 13 percent received main benefits for two years or less, and eight percent had not received main benefits at all.

**As at the end of 2014, the gang members had been paid an estimated total of $525 million in welfare assistance**

The total cost of all main benefits paid to the gang members between 1 January 1993 and 31 December 2014 was estimated to be $382m.

Over the same period, an estimated $143m was paid to the gang members in supplementary benefits (eg Accommodation Supplement) and ad-hoc payments (eg hardship assistance).

In total, an estimated $525m in welfare assistance was paid to the gang members, an average of around $132,000 per person.

**Over 7,000 dependent children were included at some point in time in benefit spells with the gang member cohort**

Over half (59 percent) of all gang members had benefit spells that included a total of 7,075 dependent children. These children spent an average of 2.8 years included in benefit - most commonly in either sole parent-related or job seeker-related benefits.

A total of 1,393 children spent more than five years included in benefit with a gang member, including 319 who spent more than 10 years included in benefit.

Nearly 40 percent of the children of gang members were first included in benefit before their first birthday.

**One percent of the gang members who received a main benefit in the last five years were prosecuted for welfare fraud**

Overall, two percent of the 3,055 gang members who received a main benefit in the last five years incurred an overpayment. The total amount overpaid was estimated to be $870,000. Overpayments were most commonly due to non-declaration or under-reporting of income, or not reporting they were in a relationship with another person. An overpayment generally means the person has a debt to MSD that must be repaid.

One percent (32) of the 3,055 gang members who have received a main benefit in the last five years have been prosecuted for welfare fraud.

## Gang members as the perpetrators of abuse or neglect of children

**Over a quarter of adult gang members were recorded by Child, Youth and Family as the alleged perpetrators of abuse or neglect of children**

Of the total 3,960 known gang members, 27 percent (1,056) were recorded by Child, Youth and Family as being the alleged perpetrators of substantiated abuse or neglect of children (noting limitations around the completeness of historical data).

Most commonly this was emotional abuse of children, recorded for 21 percent of all gang members. Six percent of gang members were recorded as being the alleged perpetrators of physical abuse of children, and two percent for the sexual abuse of children. Seven percent of gang members were recorded as having allegedly neglected children.

The 1,056 gang members were recorded as the alleged perpetrators in a total of 4,944 substantiated findings involving 2,953 distinct children. The relationship of the gang member to the victim in these 4,944 findings was recorded as the parent in 77 percent of cases[[5]](#footnote-5), and as the step-parent or mother’s partner in 15 percent of cases. In three percent of findings, the gang member was recorded as some other relative to the victim, and in two percent of cases had a non-familial type of relationship to the victim.

## Gang members’ children known to Child, Youth and Family

Analysis was carried out on whether gang members’ children had ever had contact with the Care and Protection or Youth Justice service arms of Child, Youth and Family.

**Sixty percent of the 5,890 children of gang members known to Child, Youth and Family have been abused or neglected**

A total of 3,516 children of gang members were recorded as being the victims of abuse or neglect that had been substantiated on investigation by Child, Youth and Family. This is 60 percent of the total 5,890 known children of gang members.[[6]](#footnote-6)

Of the total 5,890 known children of gang members, 44 percent were emotionally abused, 28 percent were neglected, 13 percent were physically abused and four percent were sexually abused in terms of substantiated findings.

The alleged perpetrator of abuse or neglect of gang member’s children was more often recorded as the child’s mother than the gang member father. However, caution should be taken with this finding as the relationship was not recorded for 20 percent of cases.

**Nearly a quarter of the children of gang members aged 10 years or older had youth justice involvement with Child, Youth and Family**

Of the total 5,890 known children of gang members, 3,372 were aged 10 years or older at the time of this analysis. Of these 3,372 children, 23 percent (762) had at least one referral to Child, Youth and Family for a Youth Justice Family Group Conference (FGC).

## Estimated costs to Child, Youth and Family associated with gang members

**The estimated lifetime-to-date total cost to Child, Youth and Family from the adult gang members and their children was at least $189 million**

We estimate the direct and indirect costs of the 3,960 known gang members lifetime-to-date contact with the Child, Youth and Family service arms was in the vicinity of $58m. This is likely to be an under-estimate due to data limitations. Estimated costs cover both the care and protection and youth justice areas.

We estimate that the direct and indirect costs to Child, Youth and Family of the 5,890 known children of gang members was in the vicinity of $131m, making an overall estimated total of $189m.

## Conclusions

Perhaps not surprisingly, gang members tend to be costly clients for MSD. We estimate that the 3,960 known adult gang members and their children amassed costs for MSD of over $700 million.

The children of gang members are a vulnerable group at high risk of experiencing negative life outcomes. There are in the order of 6,000 to 7,000 children known to be associated with gang members who are growing up in welfare recipient families, and are subject to high rates of abuse and neglect. Also, nearly a quarter of the children of gang members aged 10 years or older are already known to the Youth Justice service arm of Child, Youth and Family.

These negative life outcomes suggest that the children of gang members are likely to have a heightened risk of being future costly adult clients to MSD and the wider government.

**Next steps**

The profile of gang members is atypical compared with the general New Zealand population which makes it difficult to put the findings in this report in context. Whether meaningful non-gang comparison groups could be formed requires further investigation.

There is opportunity for government agencies to work more collaboratively to address the social harms noted throughout this report. Most notably, there would be added benefit in incorporating wider social sector data to enhance the profile we have of gang families.

This report, as a first step, gives a much more comprehensive picture of some of the social costs associated with gang activity and will be used to inform the Start at Home initiative outlined in the Gang Action Plan. This initiative not only highlights the need for targeted interventions but also encourages government to work together with communities to improve social outcomes with this cohort.

# Part 1 – Introduction

The “Whole-of-Government Action Plan to Reduce the Harms Caused by Adult Gangs and Transnational Crime Groups” (CAB Min (14) 21/19 refers) was approved by Cabinet in June 2014. Two of the four initiatives proposed to form the whole-of-government action plan were:

* The creation of a multi-agency ***Gang Intelligence Centre*** to provide a combined intelligence picture of gang activity, inform decision-making on preventative, investigative, and enforcement interventions, and identify vulnerable children, youth and gang family members for social service support.
* ***Start at Home***: a programme of social initiatives to support gang members and their families to turn away from the gang lifestyle, and reduce the likelihood of young people joining gangs.

This research seeks to establish baseline figures on how many adult gang members, and how many of their children, come into contact with the Ministry of Social Development’s (MSD’s) service arms, and the types and estimated total costs of contacts that occur. This includes welfare assistance, benefit overpayment and fraud, care and protection and youth justice. The results of the research will inform policy work around the Gang Action Plan. As at July 2014, there were an estimated 3,960 adult gang members known to New Zealand Police (NZ Police).

## Caveats

**Probabilistic data-matches inevitably involve errors**

The findings of this research were based on a probabilistic data match by MSD between names and dates of birth held by NZ Police and those held by MSD. The entry of identity information into source systems sometimes contains errors or is incomplete. Inevitably this means that the match results, and therefore the subsequent findings, will have errors due to some matches that should have been made being missed, and some matches made being incorrect. While every effort has been made to minimise these errors, it is not possible to produce absolutely accurate figures.

**Child, Youth and Family data has limitations**

There are other limitations to Child, Youth and Family data which mean that findings relating to this data are likely to be under-estimates:

* The migration of some older data to the current CYRAS[[7]](#footnote-7) computer system in late-2000 was incomplete. Hence, historical child abuse events by older gang members may not be recorded.
* The alleged perpetrators of child abuse may be unknown or not recorded in CYRAS.
* We can identify only the children of gang members who have come to the attention of Child, Youth and Family and been linked in a parent-child relationship role in CYRAS. This may under-estimate all children of the gang members.

# Part 2 – Profile of known adult gang members as at July 2014

Data from NZ Police identified 3,960 known adult patch members or prospects ("prospective" gang members) in New Zealand as at July 2014.[[8]](#footnote-8) These figures do not include gang “associates” or individuals who are members of youth gangs.

Adult gangs are usually either ethnic gangs of New Zealand origin (such as the Mongrel Mob or Black Power) or outlaw motorcycle gangs (such as the Tribesman or Headhunters). There are also transnational organised crime groups operating in New Zealand.

Most (86 percent) of the gang members are patched, with the other 14 percent being prospects. Gang members are always male.

**The Mongrel Mob and Black Power account for two-thirds of known adult gang members in New Zealand**

The two largest adult gangs in New Zealand – the Mongrel Mob and Black Power – account for two-thirds of all known gang members (Table 1). The next biggest gang, the Tribesman Motorcycle Club, currently has around 200 known members (five percent of all known adult gang members).

**The majority of gang members are Māori males between 30 and 50 years old**

Over three-quarters of the known adult gang members in New Zealand are Māori, 14 percent are European and eight percent are Pacific peoples.

Gang members ages are spread with 20 percent being in their twenties, 29 percent in their thirties, 31 percent in their forties and 17 percent in their fifties. The average age of all known members is 39.5 years (the median being 40.0 years). As may be expected, adult prospects are younger, on average, than patched members (31.7 years and 40.7 years respectively).

**The vast majority of gang members were residing in the North Island**

The geographical spread of gang members was different from that of the general New Zealand population in terms of proportionally fewer residing in the wider Auckland region or the South Island. Nine out of every ten gang members were recorded as residing in the North Island. Of these, a little under one in five were living in each of the Auckland, Bay of Plenty and Eastern districts. Just under 10 percent of known adult gang members were residing in the South Island.

**Table 1: Characteristics of known adult gang members as at July 2014**1

|  |  |  |
| --- | --- | --- |
|  | **Number** | **Percentage** |
| **Gang name**2 |  |  |
| Mongrel Mob | 1,510 | 38.1% |
| Black Power | 1,154 | 29.1% |
| Tribesman MC | 200 | 5.1% |
| King Cobras | 177 | 4.5% |
| Head Hunters MC | 150 | 3.8% |
| Filthy Few MC | 119 | 3.0% |
| Nomads | 105 | 2.7% |
| All others | 545 | 13.8% |
| **Membership status** |  |  |
| Patched member | 3,404 | 86.0% |
| Prospect | 556 | 14.0% |
| **Ethnicity**3 |  |  |
| Māori | 2,994 | 77.2% |
| European | 546 | 14.1% |
| Pacific peoples | 321 | 8.3% |
| Other | 16 | 0.4% |
| Unknown | 83 | - |
| **Age**4 |  |  |
| Under 20 years | 21 | 0.5% |
| 20-29 years | 808 | 20.4% |
| 30-39 years | 1,140 | 28.8% |
| 40-49 years | 1,229 | 31.0% |
| 50-59 years | 682 | 17.2% |
| 60 years or over | 79 | 2.0% |
| **Police District** |  |  |
| Northland | 309 | 7.8% |
| Auckland5 | 774 | 19.5% |
| Waikato | 281 | 7.1% |
| Bay of Plenty | 733 | 18.5% |
| Eastern | 677 | 17.1% |
| Central | 358 | 9.0% |
| Wellington | 439 | 11.1% |
| Tasman | 63 | 1.6% |
| Canterbury | 237 | 6.0% |
| Southern | 89 | 2.2% |
| Total | 3,960 | 100.0% |

Notes:

1. Patch members and prospects are always male.
2. Gangs are listed separately in descending numerical order where they had at least 100 known adult members or prospects as at July 2014. MC = Motorcycle Club.
3. Ethnicity of the gang members was sourced from matched Work and Income or Child, Youth and Family data where available.
4. One gang member’s age was not known.
5. Includes the Waitemata, Auckland City and Counties Manukau districts.

Source: National Intelligence Centre, New Zealand Police (except for ethnicity data).

# Part 3 – Over nine out of every ten gang members have received welfare assistance

Data on the receipt of main benefits by gang members was analysed for the period from 1 January 1993 to 31 December 2014.[[9]](#footnote-9) Analysis was also carried out to identify spells where dependent children were included in benefit with the gang member. Benefit data are not reliable before 1993: therefore any earlier spells for gang members aged over 40 years were not included. Figures are also affected to some degree by data-match errors (see Appendix A for further details).

While the individuals were known to be adult gang members as at July 2014, they were not necessarily gang members at the time they received benefits.

**The vast majority of adult gang members have received a main benefit**

Ninety-two percent (3,627) of the 3,960 gang members had received main benefits from Work and Income at some time in the period analysed, with the remaining eight percent (333) having no main benefit receipt recorded in the data (Table 2).

**Table 2: Total length of time spent in receipt of a main benefit by the gang members, 1 January 1993 to 31 December 2014**

|  |  |  |
| --- | --- | --- |
| **Total length of time on benefit** | **Number** | **Percentage** |
| No time on benefit | 333 | 8.4% |
| Up to 1 year | 254 | 6.4% |
| >1 to 2 years | 254 | 6.4% |
| >2 to 5 years | 682 | 17.2% |
| >5 to 10 years | 950 | 24.0% |
| >10 to 15 years | 772 | 19.5% |
| >15 to 20 years | 545 | 13.8% |
| >20 years | 170 | 4.3% |
| Total | 3,960 | 100.0% |

Note: Figures represent the total length of time spent receiving benefit, not necessarily continuously. Data on benefit receipt are not reliable before 1993.

Source: Benefit Dynamics Dataset, Ministry of Social Development.

Eighteen percent of all gang members had received a main benefit for over 15 years (not necessarily continuously), including four percent who had received main benefits for over 20 years. Thirteen percent of all gang members had received main benefits for a period of time up to two years. Of the 3,627 gang members who have received a main benefit, the average total duration spent on benefit was 8.9 years, with the average being 8.2 years taken over all 3,960 gang members.

Over half the time spent on benefit by gang members was receiving job seeker-related benefits and nearly a quarter was receiving health or disability-related benefits (Table 3). Sole parent-related benefits accounted for 17 percent of the total time spent on benefit. Gang members received a benefit as a partner of another person two percent of the time.

**Table 3: Average length of time spent in receipt of each type of main benefit by the gang members who had received welfare support, 1 January 1993 to 31 December 2014**

|  |  |  |
| --- | --- | --- |
| **Main benefit category**1 | **Average total duration (years)**7 | **Percentage** |
| Job seeker2 | 4.8 | 53.7% |
| Health or disability3 | 2.1 | 23.6% |
| Sole parent4 | 1.5 | 16.6% |
| Other main benefit5 | 0.4 | 3.9% |
| Partner6 | 0.2 | 2.1% |
| Total | 8.9 | 100.0% |

Notes:

1. Individual benefit types and names have changed over time, so benefits have been grouped into broad categories for summary purposes.
2. Mostly Jobseeker Support-Work Ready, Unemployment Benefit, and community wage-related benefits.
3. Mostly Jobseeker Support-Health Condition or Disability, Sickness Benefit, Invalid’s Benefit and Supported Living Payment-Health Condition or Disability.
4. Domestic Purposes Benefit-Sole Parent, Sole Parent Support, and Emergency Maintenance Allowance.
5. Mostly Emergency Benefit, student hardship-related benefits, Domestic Purposes Benefit-Caring for Sick or Infirm, and Supported Living Payment-Caring.
6. Included in benefit as a partner of some other person.
7. For each gang member, the total length of time (not necessarily continuously) spent receiving each type of benefit was calculated, then figures were averaged across all gang members who had received welfare support.

Source: Benefit Dynamics Dataset, Ministry of Social Development.

Not surprisingly, total benefit duration is strongly related to age. For example, the gang members in their twenties had spent an average of 2.9 years receiving main benefits, compared to an average of 11.6 years for those in their forties.

**Most gang members have also received other forms of welfare assistance**

In addition to main benefits, Work and Income can also provide clients who qualify with supplementary benefits (eg to meet accommodation, childcare, training or medical-related costs) and ad-hoc payments (eg hardship assistance to meet specific essential expenses). Some types of ad-hoc payments are recoverable from the client.

Between 1 January 1993 and 31 December 2014, 3,601 gang members had received supplementary benefits, and 3,536 had received at least one ad-hoc payment. Almost all of these gang members had also received main benefits, with only 43 gang members being paid supplementary benefits and/or ad-hoc payments only.

**The gang members have been paid an estimated total of $525 million in welfare assistance**

The overall cost of the main benefits paid to the gang members between 1 January 1993 and 31 December 2014 was estimated to be $382m. This is an average of around $96,000 for each of the total 3,960 known gang members. These costs were calculated in 2014 dollars.

In addition to the main benefit costs above, an estimated total of $143m was paid to the gang members in supplementary benefits and ad-hoc payments. This is an average of around $36,000 for each of the total 3,960 known gang members.

In total, an estimated $525m in welfare assistance was paid to the gang members, an average of around $132,000 per known gang member.

**Over 7,000 dependent children were included in benefit spells with gang members**

Over half (59 percent or 2,337) of all gang members had benefit spells that included dependent children[[10]](#footnote-10), either with or without a partner. A total of 7,075 children were included in these benefit spells.[[11]](#footnote-11)

The 7,075 children spent an average of 2.8 years included in benefit as a dependent child. Most commonly, the children were included in either sole parent-related benefits or job seeker-related benefits.

A total of 1,393 children spent more than five years included in benefit with a gang member, including 319 who spent more than 10 years included in benefit.

The age each child was first included in benefit with a gang member was examined. Due to data limitations, this information is available only for the 4,913 children of gang members who were born from the beginning of 1993.

Of these 4,913 children, 39 percent (1,924) were included in benefit before their first birthday, including 16 percent (810) who were first included in benefit at or within three weeks of their birth. An additional 13 percent (615) of the gang members’ children were first included in benefit as one-year-olds. Twenty-six percent of children were first included in benefit after their fifth birthday, including 10 percent were first included in benefit after their tenth birthday.

### Benefit overpayment and fraud

Information from the Integrity Services Unit in MSD was used to examine whether in the last five years gang members had been investigated for possible welfare fraud, whether it was found that they had been overpaid benefits, or whether they had been prosecuted for welfare fraud. Figures are impacted to some degree by data-match errors (see Appendix A for further details).

Benefit overpayments can arise through a genuine mistake by the client, but often they are due to not informing MSD of a change in their circumstances in a timely manner, if at all. In some cases, there may have been a deliberate intention to mislead MSD.

**Fourteen percent of the gang members who have received a main benefit in the last five years have been investigated for possible welfare fraud**

Fourteen percent (432) of the 3,055 gang members who received a main benefit in the last five years were investigated at least once for possible welfare fraud. The most common enquiry lines for investigations were around partnership status or income, or were accommodation-related.

**Two percent of the gang members who received a main benefit in the last five years incurred an overpayment**

Fourteen percent (62) of the 432 gang members investigated were found to have received at least one overpayment. This means that overall, two percent of the gang members who received a main benefit were found to have incurred an overpayment. An overpayment generally means the person has a debt to MSD that they must repay.

Overpayments were most commonly due to non-declaration or under-reporting of income, or not reporting they were in a relationship with another person.

The total amount of benefits overpaid to the gang members in the last five years was estimated to be around $870,000.

**One percent of gang members were prosecuted for welfare fraud in the last five years**

Welfare fraud involves a person deliberately not informing MSD of their true circumstances such that they are paid benefit amounts they were not entitled to. When an investigation has confirmed that an overpayment has been made, a number of factors are considered as to whether the case meets the Crown Law and MSD guidelines for prosecution. If the person is not prosecuted, MSD can pursue other options such as seeking repayment of the overpayment, issuing a written warning, or imposing a monetary penalty.

Thirty-two (one percent) of the 3,055 gang members who received a main benefit in the last five years were prosecuted for welfare fraud. Half of these cases involved non-declaration or under-reporting of income. Most of the other cases involved failing to declare that the gang member was in a de-facto relationship or that a child had left their care.

# Part 4 – Over a quarter of gang members have allegedly abused or neglected children

This chapter focuses on three areas in relation to Child, Youth and Family data:

* whether the 3,960 gang members are recorded by Child, Youth and Family as the alleged perpetrators of abuse or neglect of children (either their own or others)
* the extent to which the children of gang members have been exposed to abuse or neglect by any person
* whether the children of gang members have had contact with the Youth Justice service arm of Child, Youth and Family for offending of their own.

Information was not produced on the abuse or neglect of gang members themselves when they were younger because historical data of this nature are unlikely to be reliably captured in CYRAS[[12]](#footnote-12) due to their older age profile.

### Figures produced from Child, Youth and Family data are likely to be under-estimates

Results from the analysis of Child, Youth and Family data are impacted by data-match errors, but there are also other issues that affect accuracy. These are listed below and discussed in more detail in Appendix A.

* Some older data were not migrated to the new CYRAS computer system, which came online in November 2000. Hence, historical child abuse events by older gang members may not be recorded.
* The alleged perpetrators of child abuse may be unknown and/or not recorded in CYRAS.
* When analysing information on gang members’ children, we can identify only those children who have both come to the attention of Child, Youth and Family and then been linked to the gang member in a parent-child relationship role in CYRAS. This may not be all of the gang members’ children if some children have never been referred to Child, Youth and Family or not been linked in CYRAS to the gang member.

Overall, these issues probably mean that the results presented below are under-estimates and should therefore be interpreted with caution.

Of the 3,960 total known gang members:

* 2,872 (73 percent) were matched to identities recorded in CYRAS
* 1,088 (27 percent) could not be matched to an identity in CYRAS under the name provided by NZ Police.

It should be noted that people can appear in CYRAS for a variety of reasons following contact with the Care and Protection and/or Youth Justice service arms of Child, Youth and Family. Some people appear only in a relationship role (eg the parent, caregiver or sibling) to some other client of Child, Youth and Family.

## Gang members as the perpetrators of abuse or neglect of children

Analysis was undertaken on whether the known adult gang members had ever been recorded by Child, Youth and Family as the alleged perpetrators of abuse or neglect against any children (either their own or others).

**Over a quarter of the gang members are recorded by Child, Youth and Family as the alleged perpetrators of abuse or neglect of children**

Table 4 shows that of the total 3,960 gang members, 27 percent (1,056) were recorded as being the alleged perpetrators of substantiated findings of abuse or neglect of children. Most commonly this was emotional abuse, recorded for 21 percent of the gang members. Seven percent of gang members were recorded as having allegedly neglected children. Six percent of gang members were recorded as being the alleged perpetrators of physical abuse of children, and two percent of sexual abuse.

**Table 4: Types of abuse or neglect allegedly perpetrated by gang members, Child, Youth and Family substantiated findings**

|  |  |  |
| --- | --- | --- |
| **Type of abuse or neglect** | **Number of gang members alleged to be perpetrators**1 | **Percentage of all gang members**1(n=3,960) |
| Emotional abuse2 | 849 | 21.4% |
| Neglect3 | 260 | 6.6% |
| Physical abuse4 | 251 | 6.3% |
| Sexual abuse5 | 63 | 1.6% |
| Any type of abuse or neglect | 1,056 | 26.7% |

Notes:

1. Gang members can be the alleged perpetrators of multiple types of abuse or neglect, hence the individual figures do not add to the overall figure.
2. The child's mental health, social and/or emotional functioning and development has been damaged by their treatment eg from repeat exposure to negative experiences such as distress caused by witnessing family violence.
3. Failing to provide for a child’s basic needs eg adequate food, clothing, hygiene or supervision.
4. The child has sustained an injury or was at serious risk of sustaining an injury.
5. Any action where an adult or a more powerful person uses a child for a sexual purpose.

The 1,056 gang members were recorded as the alleged perpetrator in a total of 4,944 substantiated findings involving 2,953 distinct children. These figures indicate that perpetrators commonly repeat abuse.

**Most findings of abuse or neglect allegedly by gang members involved their own or their partners’ children**

The gang member’s relationship to the victim in the 4,944 substantiated findings was recorded as the parent in 77 percent of findings[[13]](#footnote-13), and as the step-parent or mother’s partner in 15 percent of findings. In three percent of findings, the gang member was recorded as some other relative to the victim (eg uncle, sibling or grandparent). In two percent of findings, the gang member had a non-familial type of relationship to the victim, and in three percent of findings the nature of the relationship was not recorded.

**Physical abuse allegedly by gang members was most often against their own children**

There were 251 individual gang members recorded as the alleged perpetrator in 428 substantiated findings of physical abuse. In 67 percent of these findings, the victim was the gang member’s child, while in 19 percent of other cases the victim was their step-child or partner’s child. In nine percent of physical abuse findings, the gang member was recorded as some other relative to the victim, while in five percent of findings they had a non-familial relationship to the victim.

**Sexual abuse allegedly by gang members was rarely against their own children**

There were 63 individual gang members recorded as the alleged perpetrator in 76 substantiated findings of sexual abuse. Unlike the physical abuse findings, the victim in sexual abuse findings was the gang member’s child in only a small minority (14 percent) of cases. In 24 percent of cases the victim was their step-child or partner’s child, while in 25 percent of sexual abuse findings the gang member was recorded as some other relative to the victim. In 37 percent of sexual abuse findings, the gang member had a non-familial relationship to the victim.

## Gang members’ children known to Child, Youth and Family

There is interest in whether growing up in gang families exposes children to greater risk of negative life outcomes. The children of gang members known to Child, Youth and Family were examined to determine the nature of their contact with the Care and Protection and Youth Justice service arms. When examining the abuse and neglect of gang members’ children, all substantiated findings were included, regardless of who the perpetrator was.

A total of 5,890 children could be linked to 1,925 of the gang members via a parent-child type relationship role recorded in CYRAS. As noted earlier, it is not possible to tell whether these are all of the gang members’ children.

**Sixty percent of the 5,890 children of gang members have been abused or neglected**

A total of 3,516 children of gang members were recorded as being the victims of abuse or neglect that was substantiated on investigation by Child, Youth and Family. This is 60 percent of the total 5,890 children of gang members known to Child, Youth and Family (Table 6). Multiple substantiated findings of abuse or neglect of these children were common, with a total of 8,183 such findings for the 3,516 children.

**Emotional abuse and neglect were the most frequent types of findings**

Of the total 8,183 findings, over half (54 percent) involved emotional abuse and 30 percent involved neglect. Substantiated findings of physical abuse were recorded in 12 percent of cases, while sexual abuse findings were recorded in four percent of cases.

Of the total 5,890 children of gang members known to Child, Youth and Family, 44 percent have been emotionally abused, 28 percent have been neglected, 13 percent have been physically abused and four percent have been sexually abused in terms of substantiated findings (Table 5).

**Table 5: Types of abuse or neglect of the children of gang members by any person: Child, Youth and Family substantiated findings**

|  |  |  |
| --- | --- | --- |
| **Type of abuse or neglect** | **Number of children with substantiated findings**1 | **Percentage of all children of gang members known to Child, Youth and Family**1(n=5,890) |
| Emotional abuse | 2,576 | 43.7% |
| Neglect | 1,630 | 27.7% |
| Physical abuse | 776 | 13.2% |
| Sexual abuse | 250 | 4.2% |
| Any type of abuse or neglect | 3,516 | 59.7% |

Notes:

1. Children can be the victim of multiple types of abuse or neglect, hence the individual figures do not add to the overall figure.

Source: CYRAS.

**The alleged perpetrator of abuse or neglect was more often recorded as the children’s mother than the gang member**

The relationship between the child and the alleged perpetrator was examined for the 8,183 substantiated findings of abuse or neglect of gang members’ children. Care should be taken with this information as the nature of the relationship was not recorded for 20 percent of findings. Also, it should also be noted that a substantiated finding can involve more than one alleged perpetrator.

For 31 percent of the 8,183 substantiated findings, the gang member father and the child’s mother were both recorded as alleged perpetrators. For a further 25 percent of findings, the alleged perpetrator was recorded as the mother only, and in 16 percent it was the gang member father only. This means that overall, the child’s birth mother was an alleged perpetrator in 56 percent of findings, and the gang member father was an alleged perpetrator in 47 percent of findings.

Children were abused allegedly by a step-parent or the mother’s partner in two percent of cases and by some other relative in four percent of cases. In two percent of cases, the child had a non-familial relationship to the alleged perpetrator.

**Almost nine out of 10 of the children of gang members known to Child, Youth and Family were involved in at least one investigation**

Of the 2,374 children of gang members known to Child, Youth and Family who did not have any substantiated findings, 1,555 had been involved in at least one investigation following a report of concern to Child, Youth and Family. This means that of the total 5,890 children of gang members known to Child, Youth and Family, 86 percent (5,071) were involved in at least one investigation, whether substantiated or not.

### Nearly a quarter of the children of gang members aged 10 years or older have had youth justice involvement with Child, Youth and Family

At the time of this analysis, 3,372 children of gang members were aged 10 years or older. Of these children, 23 percent (762) were known to the Youth Justice service arm of Child, Youth and Family following referral for a Youth Justice Family Group Conference (FGC). This was either for an intention-to-charge FGC, a court-ordered FGC or a child offender FGC.

The vast majority of the 762 children who had a Youth Justice FGC were also known to the Care and Protection service arm of Child, Youth and Family:

* 644 or 85 percent had been involved in at least one investigation by Child, Youth and Family following a report of concern about their ill-treatment or neglect, whether substantiated or not.
* 477 or 63 percent were recorded as the victim of at least one prior substantiated finding of abuse or neglect.

### The total cost to Child, Youth and Family from the adult gang members and their children is estimated to be at least $189 million

It is estimated that the direct and indirect costs of the gang members’ contact with the Child, Youth and Family service arms is a minimum of $58m. The actual figure is likely to be considerably greater than this, but the analysis was limited by historical information generally being unavailable before the early 1990s. This is a particular issue for this report given the older age structure of gang members - the average age being around 40 years.

We estimate that the direct and indirect costs to the Child, Youth and Family service arm of the 5,890 child clients known to be children of gang members is in the vicinity of $131m.

Together, the estimated known costs total $189m. It was not possible in this report to break down these costs into separate detailed care and protection, and youth justice components. The estimated costs include, for example, family group conferences, intakes, investigations, assessments, placements, and court preparation work by social workers.

# Part 5 – Estimated total costs to MSD are over $700 million

Estimated cost information for individuals is available in terms of welfare assistance payments from Work and Income, and direct and indirect costs from contacts with the Care and Protection and Youth Justice service arms of Child, Youth and Family.

These estimated costs should be seen as indicative only as they are based on averages, some data are missing – particularly before the early 1990s, and the results are impacted by data-match errors discussed in Appendix A.

The total costs to MSD from gang members and their children is estimated to be at least $714m, with this being an underestimate for the reasons discussed above.

**Table 6: Estimated costs to MSD from adult gang members and their children in their lifetimes to date**

|  |  |  |  |
| --- | --- | --- | --- |
| **Source of estimated costs** | **Adult gang members** | **Children of gang members**1 | **Total** |
| Main benefit payments | $382m | - | $382m |
| Supplementary benefit payments | $143m | - | $143m |
| Child, Youth and Family contacts | $58m | $131m | $189m |
| Total2 | $583m | $131m | $714m |

Notes:

1. While some of the children of gang members are adults themselves now, no attempt was made for this report to try to identify any welfare assistance costs associated with them.
2. MSD-related costs are likely to be underestimates due to data limitations. In particular, the Child, Youth and Family contacts figure for gang members is likely to be a significant underestimate.

# Part 6 – Conclusions

Perhaps not surprisingly, gang members tend to be costly clients for MSD. We estimate that the 3,960 gang members and their children amassed costs for MSD of at least $714 million.

The children of gang members are a vulnerable group at high risk of experiencing negative life outcomes. There are in the order of 6,000 to 7,000 children known to be associated with gang members who are growing up in welfare recipient families, and are subject to high rates of abuse and neglect. Also, nearly a quarter of the children of gang members aged 10 years or older are already known to the Youth Justice service arm of Child, Youth and Family.

These negative life outcomes suggest that the children of gang members are likely to have a heightened risk of being future costly adult clients to MSD and the wider government.

**Next steps**

The profile of gang members is atypical compared with the general New Zealand population which makes it difficult to put the findings in context. Whether meaningful non-gang comparison groups could be formed requires further investigation.

There is opportunity for government agencies to work more collaboratively to address the social harms noted throughout this report. Most notably, there would be added benefit in incorporating wider social sector data to enhance the profile we have of gang families, though this would require additional commissioning and agreement from agencies. It may be a process worth considering should any future iterations of this report be undertaken.

This report, as a first step, gives a much more comprehensive picture of some of the social costs associated with gang activity and will be used to inform the Start at Home initiative outlined in the Gang Action Plan. This initiative not only highlights the need for targeted interventions but also encourages government to work together with communities to improve social outcomes with this cohort.

# Appendix A – Methodology

The base information on all known adult gang members as at July 2014 was provided to MSD in October 2014 by the National Intelligence Centre at NZ Police.[[14]](#footnote-14) The information was shared for research purposes under a Memorandum of Understanding between the two agencies that covered areas such as the security and confidentially of the information, and the breadth of the summary MSD information that would be produced on the gang members.

A total of 3,960 distinct individuals were included in the file after removing a small number of duplicate records.

**Records were probabilistically matched by MSD**

The gang members names and dates of birth were run through a probabilistic data-matching routine developed by MSD using SAS *DataFlux Data Management Studio*. The routine produces a list of possible matches to MSD-held names and dates of birth (including known aliases) recorded in the Work and Income and Child, Youth and Family computer systems (SWIFTT and CYRAS respectively). Each possible match is marked as either a:

1. 100 percent match on full name and date of birth
2. 95 percent fuzzy match[[15]](#footnote-15) on full name, and 100 percent date of birth match
3. 85 percent fuzzy match on full name, and 100 percent date of birth match
4. 100 percent match on full name, and day and year of birth match
5. 100 percent match on full name, and day and month of birth match
6. 100 percent match on full name, month and year of birth within three years.

Different levels of matching are required because the entry of identity information into source systems is sometimes imprecise, incomplete or inaccurate. In some cases, people may have used alias or fictitious names, possibly to mislead agencies.

The sample was too large to manually inspect all matches, therefore the following approach was taken: all (a) and (b) matches above were automatically accepted, and the smaller number of (c) to (f) possible matches were manually inspected to see if they looked like the same people or not, and were accepted or rejected accordingly.

For the gang members with no matches of any type, a bespoke data match was conducted by the researcher to check for possible matches that may have been missed (false negatives). This resulted in over 100 additional matches being identified and accepted from both the Child, Youth and Family and Work and Income data. Many of these matches would have been difficult to detect without manual inspection and confirmation of the matches.

**Inevitably large scale data-matches contain errors, and therefore so do results**

Inevitably with large-scale probabilistic data-matching the final match results that are accepted will have errors due to some matches that should have been made being missed (false negatives), and some matches made being incorrect (false positives). Every effort has been made to minimise these errors.

Aside from other data limitations discussed below, the data-match errors mean that it is not possible to produce absolutely accurate figures. Caution therefore needs to be taken in interpreting all figures presented in the report.

**Work and Income data on main benefit receipt was available from 1993**

The Benefit Dynamics Dataset (BDD) held by MSD contains information on all spells of main benefit receipt from 1 January 1993 to the present day. The data includes information on the types of benefit received, the duration of receipt, the benefit payment rate, and whether a partner and/or children were included in the benefit spell.

In this report, “main benefits” refers to the group of benefits that are income-tested eg Jobseeker Support, Supported Living Payment or Sole Parent Support, including the similar historical benefits they replaced. Excluded were the subsets of those receiving New Zealand Superannuation or the Veteran’s Pension that are income-tested, as well as those receiving the Unsupported Child Benefit and the Orphan’s Benefit. Benefit payments to gang members included as the partner of some other “primary” benefit recipient have been counted as main benefit payments in this report.

A limitation of the BDD is that spells of main benefit receipt before 1993 are not reliable and therefore not included in the BDD data. This means that benefit receipt figures produced for older gang members will likely be an under-estimate.

Information on the types of welfare assistance received and the estimated costs of the assistance were extracted from the Income Support Expenditure (ISE) datasets held by MSD, and costs were CPI-adjusted to 2014 dollars. The welfare assistance examined included main benefit spells, supplementary benefits (eg Accommodation Supplement) and ad-hoc payments (eg hardship assistance). These cost estimates are affected by the data limitations discussed above.

**Integrity Services data on benefit overpayment and welfare fraud were examined for the last five years**

Information from the Integrity Services Unit in MSD was used to examine whether gang members had been investigated for possible welfare fraud, whether it was found that they had been overpaid benefits, and whether they had been prosecuted for welfare fraud. Data-sharing and other initiatives over the last decade or so have seen considerable reductions in certain types of benefit overpayments (eg when a person receiving a benefit is imprisoned). For this reason, only information for the last five years was examined. Figures are impacted by the data-match errors discussed earlier.

**Figures produced from Child, Youth and Family data are most likely to be under-estimates**

As well as errors in findings being introduced from data-matching errors, there are other issues with producing reliable estimates using Child, Youth and Family data:

* The current CYRAS computer system came online in November 2000. Some information on contacts with Child, Youth and Family prior to this date may not be reliable or complete due to issues with the migration of records between other computer systems over time. Given we are looking at adult gang members, half of whom are aged at least 40 years, information on historical child abuse events by older gang members is likely not recorded in CYRAS.
* There may be notifications and findings of abuse by the gang members that are recorded in CYRAS against an unlinked alias identity of the gang member, or the name of the perpetrator of the abuse may be unknown and/or not recorded in CYRAS.
* We can identify only the children of gang members who have come to the attention of Child, Youth and Family and been linked in the parent-child role in CYRAS. This may be an under-estimate of all children of the gang members.

If anything, the issues above are likely to mean that the Child, Youth and Family related results presented in the report are under-estimates and should therefore be interpreted with caution.

The direct and indirect costs associated with the gang members and their children’s contact with Child, Youth and Family were estimated using costs data associated with various types of events including:

*Care and protection*

* Child and Family Assessments (from 2009)
* Court preparation work by social workers
* Family Group Conferences (from 1991)
* Family Whanau Agreements (from 1991)
* Intakes
* Investigations
* Partnered Response (from 2009)
* Placements (from 1995)
* Safety Assessments (from 2009)

*Youth justice*

* Court preparation work by social workers
* Family Group Conferences (from 1991)
* Intakes
* Placements (from 1995).

Costs should be viewed as indicative only.



1. Gang “associates” and members of youth gangs were not examined in this report. [↑](#footnote-ref-1)
2. New Zealand adult gang membership is fluid with individuals moving into, out of and between gangs on a regular basis. For this reason, the recording of gang membership presents continuing challenges for NZ Police. It is estimated by NZ Police that at any given time, there are likely to be between 3,500 and 4,000 patched members and prospects. [↑](#footnote-ref-2)
3. While the individuals were known to be adult gang members as at July 2014, they were not necessarily gang members at the time they received benefits. [↑](#footnote-ref-3)
4. “Main benefits” is used in this report to refer to income-tested benefits, with some exceptions (see Appendix A for further details). Data on benefit receipt before 1993 is not reliable. [↑](#footnote-ref-4)
5. A relationship table in CYRAS allows people to be linked in various “roles”. For this analysis, gang members were taken to be the parent of the child if they had the role of “parent”, “birth parent” or “birth father”. [↑](#footnote-ref-5)
6. The total number of children of gang members known to Child, Youth and Family (5,890) is not directly comparable to the earlier figure of 7,075 children being included in main benefits with gang members. The children included in benefits were “financially dependent” children of the gang members and not necessarily their own children. [↑](#footnote-ref-6)
7. CYRAS is the Child, Youth and Family case management recording system, managed by MSD. [↑](#footnote-ref-7)
8. For convenience, the term “gang member” is used throughout this report to refer to both adult patched members and adult prospects. [↑](#footnote-ref-8)
9. In this report, “main benefits” refers to the group of benefits that are income-tested eg Jobseeker Support, Supported Living Payment or Sole Parent Support, including the similar historical benefits they replaced. Excluded were the subsets of those receiving New Zealand Superannuation or the Veteran’s Pension that are income-tested, as well as those receiving the Unsupported Child Benefit and the Orphan’s Benefit. Benefit payments to gang members included as the partner of some other “primary” benefit recipient have been counted as main benefit payments in this report. [↑](#footnote-ref-9)
10. A “dependent child” generally refers to a child who is under the age of 18 years, is primarily the responsibility of the benefit recipient, is maintained as a member of his or her family, and is financially dependent on the benefit recipient. [↑](#footnote-ref-10)
11. These figures include inclusion in main benefit spells as well as the Unsupported Child Benefit and the Orphan’s Benefit. [↑](#footnote-ref-11)
12. CYRAS is the Child, Youth and Family case management recording system, managed by MSD. CYRAS came online in November 2000. [↑](#footnote-ref-12)
13. A relationship table in CYRAS allows people to be linked in various “roles”. For this analysis, gang members were taken to be the parent of the child if they had the role of “parent”, “birth parent” or “birth father”. [↑](#footnote-ref-13)
14. New Zealand adult gang membership is fluid with individuals moving into, out of and between gangs on a regular basis. For this reason, the recording of gang membership presents continuing challenges for NZ Police. It is therefore estimated by NZ Police that at any given time, there are likely to be between 3,500 and 4,000 patched members and prospects. [↑](#footnote-ref-14)
15. A “fuzzy match” is essentially a comparison of patterns in two character strings (in this case names) to see how similar they are. A 95 percent fuzzy match means the two sets of characters are very similar, but not exactly the same. This may occur for example if a name was Katherine Smith in one source and Catherine Smith in the other source. [↑](#footnote-ref-15)