

ANGLIA REVENUES PARTNERSHIP (ARP)
JOINT COMMITTEE: JUN 14
REPORT OF FRAUD ACTIVITY
(Author: Lucy Burt)

UPDATE OF FRAUD ACTIVITY

Purpose of Report

The purpose of this report is to inform the Joint Committee of the Counter Fraud Activity the ARP is undertaking in order to protect the public purse against fraud.

The current financial climate suggests that the Joint Committee members should be aware of the ongoing Counter Fraud activity being undertaken to both safeguard the tax payer and lead into the Government's stated programme of Welfare Reform.

1. Background

1.1. This report details the work undertaken by the ARP Fraud and Visits Team during the period 2013/2014 in Countering Fraud against the public purse, compared to 2012/13.

1.2. This report will also update on the Single Fraud Investigation Service and on joint work with other parties in Countering Fraud.

2. Performance

2.1. Appendix A gives details of the performance for each of the authorities within the partnership for 2013/14 compared to 2012/13. (Appendix B gives definitions of some of the terms used within this report).

2.2. Appendix C gives members some examples of recent and current cases.

3. Single Fraud Investigation Service

3.1 DWP have confirmed that the proposed transfer of Welfare benefit Counter fraud work for ARP partners will be 1st September 2015 (this is phase 2 of the SFIS project).

3.2 DWP held a road show in May where details of the intended SFIS project were shared.

3.3 Phase 1 of the transfer to SFIS project will be the pilot sites that have commenced working in this manner. On completion of phase 1, there will be further evaluation and review, prior to commencing phase 2.

3.4 Further work is still required to evaluate the levels of Counter fraud work that will remain for the partner authorities. That work will include but is not limited to Localised Council Tax support, NNDR, housing, social tenancy, procurement and internal investigations.

4 Joint Working

- 4.1 Joint working is still being pursued in order to support the Host Authorities in Countering Fraud and to meet the requirements of the National Fraud Authority.
- 4.2 The Cambs Fraud Hub is progressing well with partner authorities working towards a joint data sharing agreement and installation of the relevant data sharing software. The software has been procured and work is ongoing with ICT to schedule installation and implementation.
- 4.3 ARP partners are members of the Suffolk Tenancy Fraud forum and discussions continue to encourage engagement from Havebury and Flagship Housing.
- 4.4 A case is ongoing on behalf of Orbit Housing. This involves an alleged case of Tenancy Fraud and is being investigated alongside the alleged housing benefit fraud. This case is progressing well and we are currently working with Orbit to recover the property from the existing tenant and also to consider prosecution for the relevant offences.
- 4.5 A recent internal investigation regarding a staff member has been concluded, resulting in the dismissal of that employee. Work is ongoing with the third party regarding any criminal action that may be deemed appropriate.
- 4.6 Fraud awareness training has been provided to the Benefits telephone claim assistants. This has heightened awareness, further reducing the opportunities for fraud to enter the benefits system and has resulted in some quality fraud referrals from that source.

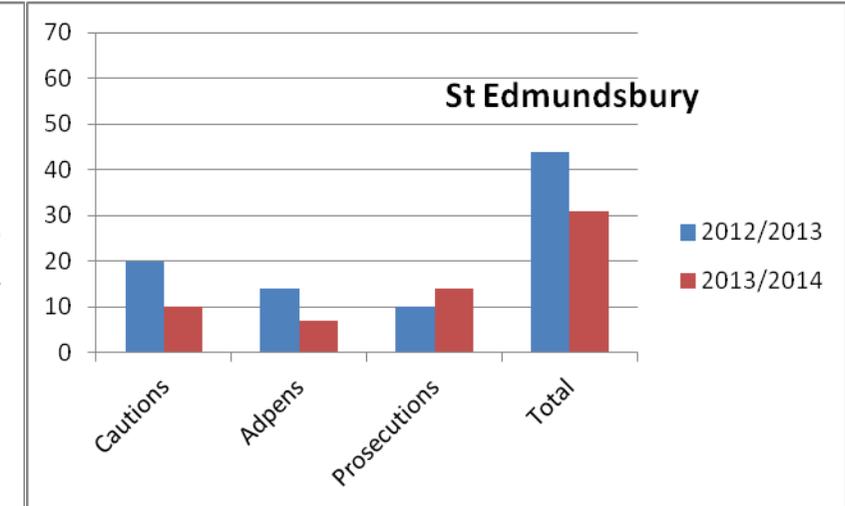
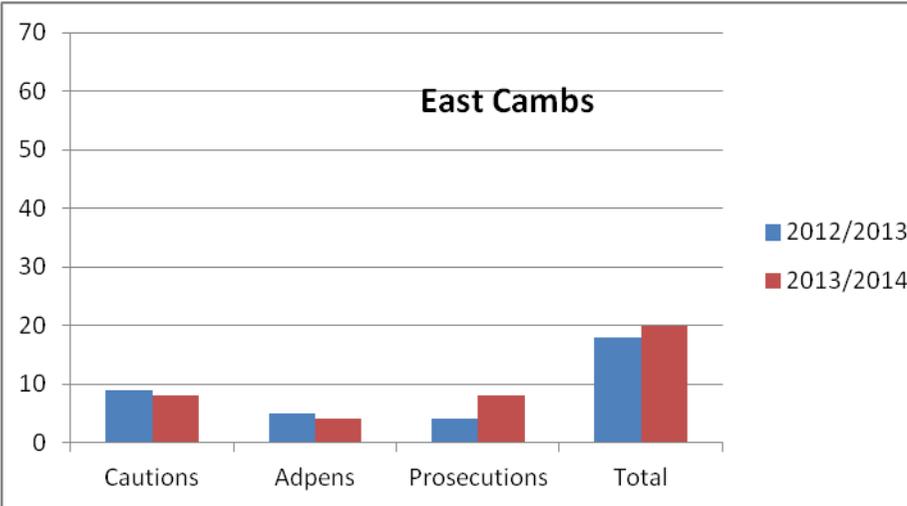
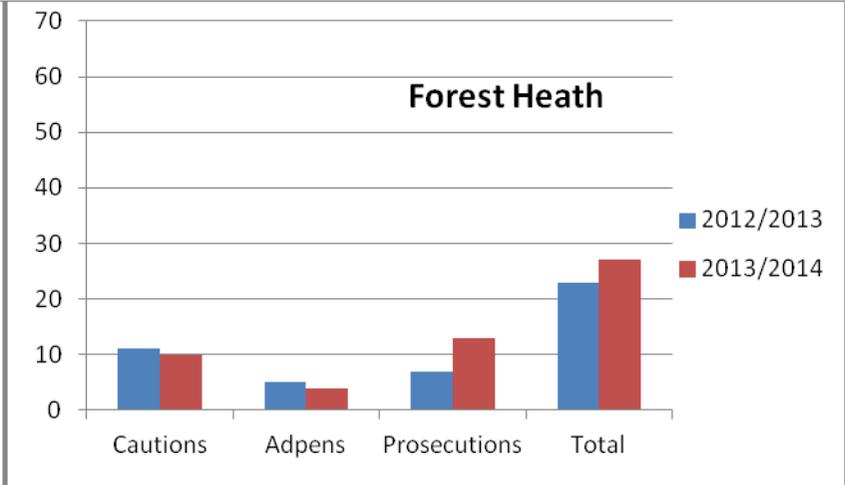
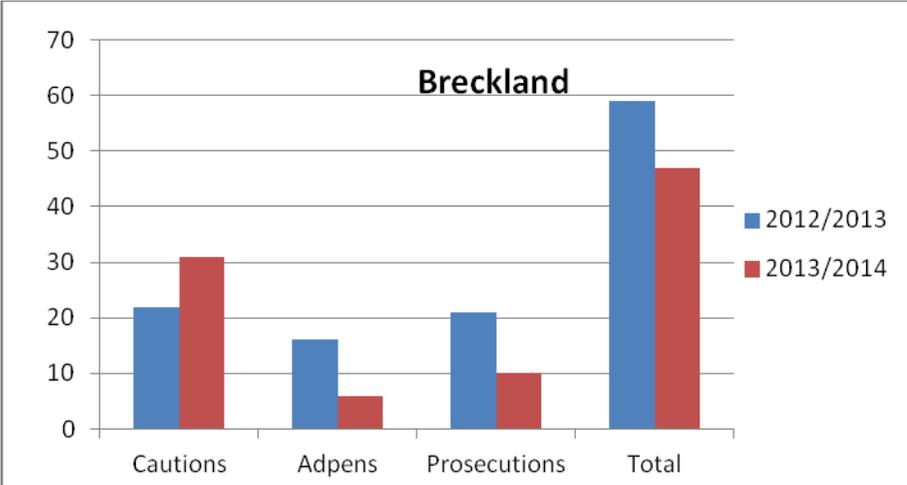
Lead Contact Officer:

Name/Post Lucy Burt Fraud and Visits Team Manager

Telephone: 01842 756451

Email: lucy.burt@angliarevenues.gov.uk

Appendix A
Sanctions 2012/13 compared to 2013/14 per authority



Breckland; No significant change.

St Edmundsbury; No significant change.

East Cambridgeshire; No significant change.

Forest Heath; No significant change.

APPENDIX B

Definitions

- Sanction – Formal outcome of a successful investigation resulting in a conclusion as set out below.
- Caution – A warning, given in certain circumstances, as an alternative to prosecution, to a person who has committed an offence (NOT a Police caution). The caution is recorded on the records of the LA and DWP for 5 years. A check would be conducted in the event of a similar investigation. A 2nd Caution would not be offered and it would be more likely that a prosecution would be instigated in a 2nd benefit fraud offence, where there was a previous caution recorded within the last 5 years.
- Administrative Penalty - An Administrative Penalty (Ad-Pen) is a financial penalty, which can be offered as an alternative to prosecution where there has been no previous sanction of any form, for example, Caution, Ad-Pen or prosecution. The Ad-pen is administered on behalf of the Secretary Of State and is set at 30% of the total of overpaid benefit in the case. The Ad-pen is recorded on the records of the LA and DWP for 5 years. A check would be conducted in the event of a similar investigation. A 2nd Ad-pen would not be offered and it would be more likely that a prosecution would be instigated in a 2nd benefit fraud offence, where there was a previous Caution or Ad-pen recorded within the last 5 years.
- Prosecution - Prosecution of an offender, within the Criminal Justice System, for an alleged offence.

Appendix C

5. Examples of Current or Recent Significant Cases

- 5.1 An investigation regarding a benefit claim where Mrs B was claiming Income Support, Housing Benefit and Council Tax Benefit has revealed that she failed to inform East Cambridgeshire DC and DWP that her husband had rejoined the household in June 2009. Enquiries revealed that Mr B had his earnings from paid employment paid into a bank account in the name of his son and Mrs B had full use and access to this account. Analysis of transactions on this account revealed regular debits at Tesco and Sainsburys. Vehicle tracker details were also obtained from Mr B's employer. This placed the vehicle at Mrs Bi's address almost every evening and weekend. Furthermore, this helped prove that Mrs B was using Mr B earnings as the vehicle tracker placed him out of the area when his account was used in Ely and Littleport. When interviewed under caution, Mrs B denied the allegation of Living Together and stated that her husband was gay so there was no way they could live together as a couple. Mr B however, gave a different story, saying that he left his works vehicle at the claim address overnight and went to meet various women he had met through various websites such as "Plenty of Fish" and "Local Slags.com". He said he did not have an alternative address as he spent every night with a different woman. The total overpayment in this case is £57,4996.61. Mrs B pleaded not guilty to the offence and the case was committed to Crown Court and trial by jury. However, after a Goodyear Hearing, Mrs B changed her plea. She was sentenced to 12 months imprisonment for each offence (DWP and ECDC) to run concurrently, suspended for 2 years. No costs were awarded.
- 5.2 An investigation regarding a benefit claim has revealed that falsified bank statements, tenancy agreement and supporting documentation were provided in an attempt to reduce an overpayment of benefit. The customer declared that he had remained at the claim address until 1st October 2012. Enquiries have revealed that he left the claim address in July 2012. The customer was overpaid benefit and enquiries revealed that he had falsified bank statements to show rental payments when there were none. The customer further attempted to claim benefit at another address and provided a change of circumstances form, change of address form and a tenancy agreement all showing that he moved into the new address on 1st October 2012. Enquiries established that he had never moved into the address and had falsified the tenancy agreement. The customer was prosecuted and pleaded guilty. He was sentenced to 5 months custody suspended for 18 months, 180 hours unpaid work, £2000 costs and a compensation order for the full overpayment to be repaid by the end of June 2014.