

FRAUD UPDATE

1. INTRODUCTION

1.1 The Council is committed to the fight against fraud and will deal openly and forcefully with anyone who acts dishonestly. Following the Fraud Strategy being approved, this report provides an update of the fraud activities since January 2018.

1.2 The Fraud and Compliance Officer is 0.53FTE.

2. FRAUD REFERRALS

2.1 Since January 2018 there have been 36 referrals to the Corporate Fraud and Compliance Officer of which 17 have been completed. Referrals are received via an e-form, hotline or internally from staff.

2.2 Following investigations there has been a total of £39,605.73 in Housing Benefit overpayments and £15,639.96 in Council Tax Reduction non entitlement. For overpayments of Housing Benefit we can claim subsidy of 40% of the overpayment amount. Where the overpayment is recovered, i.e. paid back by the claimant, by 60% or more this is an additional income to the council.

2.3 Fraud Referrals from Jan 18 to Sept 18

Type of referral	No of referrals	Ongoing cases	Closed cases
Living Together	12	10	2
Undeclared Capital	2	1	1
Undeclared Earnings	8	3	5
Household composition	2	0	2
Paying of rent	1	0	1
Homesearch waiting List	1	1	0
Right to Buy	2	0	2
Tenancy – sublet/non-occupation	5	2	3
Single Person Discount	2	1	1
Internal	1	1	0
Total Referrals	36	19	17

2.4 The outcome of the referrals where investigations have concluded are detailed in Appendix 1.

3. POLICY UPDATE

3.1 The following policies have been updated and approved this year:

- Money laundering
- Whistleblowing

The Fraud Strategy and the Anti-bribery and corruption strategy have both been updated.

3.2 All of the above have been communicated to staff.

4. JOINT WORKING WITH THE DEPARTMENT FOR WORK AND PENSIONS (DWP)

4.1 As part of a new initiative, the Council is working in partnership with the DWP on joint investigations and prosecutions whereby Council Tax Reduction fraud will be included along with DWP benefit fraud. This is voluntary for local authorities, but mandatory for the DWP where the local authority signs-up, and is due to commence on 29 October 2018. There is no funding from DWP.

4.2 As any Council Tax Reduction “overpayment” will be included with the DWP overpayment, this may increase the likelihood of a sanction or prosecution. There will be no cost to the council where there is a prosecution.

4.3 There will be no Service Level Agreement but instead a Data Sharing Agreement for local authorities and DWP to sign.

5. NATIONAL FRAUD INITIATIVE

5.1 The council undertakes the Cabinet’s office National Fraud Initiative data match and will continue to target those referrals considered high risk of fraud. Data is due to be submitted by October with the data matches results being received in January 2019. There are no timescales for completion and the Corporate Fraud and Compliance Officer will coordinate this and will work with those services affected.

6. FRAUD RISK REGISTER

6.1 As part of promoting a counter fraud culture and to raise awareness each service will be asked to consider and review the risk of fraud and corruption within their service. This will identify potential risks, the controls in place and if any controls are required and feed into the Corporate Risk Register.

6.2 These will be reviewed every two years.

7. PUBLICITY

7.1 Articles in Hometalk have been placed to highlight tenancy fraud.

8. FUTURE ACTIVITIES

8.1 We are due to undertake a review of single person discounts and plan to review staff declarations.

9. RECOMMENDATION

9.1 It is recommended that the Committee note the contents of this report.

Appendix 1 - Results from Jan 18 to Sept 18

ALLEGATION / INVESTIGATION	OUTCOME	PENALTY
Claimant has undeclared capital of £25,000	HB OP £8,471.57. CTR OP £1,461.30. Claimant paid all outstanding HB OP.	£70 civil penalty issued.
Claimant has undeclared capital	HB OP = £21,139.71. CTR OP = £5,819.86.	Prosecution File prepared – with Legal Services, ongoing.
Claimant has undeclared earnings since 2007	Following investigation & IUC CTR/CTB OP = £5,518.94	Admin Penalty of £1,000 accepted.
Claimant has undeclared earnings (despite having recently accepted an Admin Penalty)	CTR OP of £50.	No penalty but warning letter issued
Claimant has undeclared Pension & earnings	Following IUC CTR OP of £1,427.30 & HB £5,198.36.	Claimant accepted an Admin Penalty for £736.15
Claimant has undeclared earnings	HB OP of £2,638.00 & CTR OP of £309.49	Warning letter issued regarding importance of notifying Change of circumstances.
Claimant has undeclared earnings.	HB OP £2,158.09. CTR OP of £752.15. Invited claimant for informal interview. Statement taken.	Warning Letter issued regarding importance of notifying Change of circumstances.
Paying rent from other accounts. Information from Accountancy that 4 rent payments were made fraudulently totalling £956.98. Cardholders have requested payments back through their banks	Passed to Police for action, NFDC Statement made to Police. Police conducted house search but no evidence found. Police spoke with tenant regarding payments but no further action taken.	
Homesearch waiting list – should not be High Priority	Applicant interviewed. Property allocated to another applicant with an urgent need.	
Non-occupation of council property	After investigation & IUC tenant surrendered their tenancy & handed back their 2 bed Council House back on 19/3/18.	
Non-occupation of council property	IUC completed & tenant voluntarily surrendered their tenancy and handed back 2 bedroom property	
Council Tax payer not entitled to single person discount	Single person discount ended to April 2011	No penalty but £2,035.91 council tax to be paid