

Fraud Team Performance Report

Background

Counter-fraud measures are a statutory function for all local authorities. Since 2005 the team has consisted of one fraud team leader (FTL) and four counter-fraud officers (CFOs). Prior to this there were three CFOs. At the time every successful sanction and prosecution carried a financial reward, paid by the Department for Work and Pensions (DWP) and on this basis we were able to self-fund an additional post.

All CFO's and the FTL are trained to a nationally recognised standard in the seven foundation courses of 'Professionalism in Security' (PINS). As well as these all staff have been trained on additional elements around investigations and, next month, will be attending a workshop on housing fraud investigations.

Our work comes from four main sources, the public (30%), staff (30%), data-matching (30%) and joint working with other government departments (10%). To encourage reports from members of the public, we have a dedicated fraud 'hotline', a link for reporting on the NCC website and, in certain cases, use the local press and Citizen to publicise cases we have prosecuted.

Types of benefit fraud include working and claiming, living with a partner, undeclared income and/or capital, identity fraud and non-residence.

Each case is scored based on two government approved systems, 5 x 5 x 5 and Annacapa. If a case is suitable for investigation, the CFO will carry out searches to gather information and evidence relevant to that investigation.

We subscribe to the National Anti-Fraud Network (NAFN), an organisation set-up to carry out searches for members, which saves CFOs time in terms of administration.

We also subscribe to the Local Authority Investigation Officers Group (LAOIG) and as members of this we have access to quarterly meetings with guest speakers, attendance at an annual training event and access to a website for sharing practices, skills and knowledge.

NCC are also members of the Eastern Fraud Forum, a network of private and public sector bodies, charged with the function of preventing and detecting fraud. This includes an annual conference and free access to various workshops throughout the year.

The FTL also acts as the Norfolk representative at quarterly meetings with the DWP, for benefit related matters that cannot be resolved at a local level.

If a CFO believes they have sufficient information that an offence may have been committed, they will invite the suspected person/s in for a recorded interview, which is conducted in line with the Police and Criminal Evidence Act 1984 (PACE) codes of practice.

Once the CFO's investigation is complete, it is the role of the FTL to review the case and decide whether further action needs to be taken. In terms of benefit offences, this can include a Simple Caution (warning), an Administrative Penalty (fine) or Prosecution (which usually starts in the Magistrates Court). Cautions and penalties are known collectively as 'sanctions.' The fraud prosecution policy details how decisions are made on what, if any, action will be taken and the thought process involved.

Statistics

Year-on-year the team have increased the number of successful sanctions and prosecutions, with a slight dip in 2008-09 due to a freeze in the exchange of data used in data-matching (which makes up around 75% of successful NCC-led cases).

In other years the team have sanctioned/prosecuted people in around one-in-six investigations. In 2009-10 this figure is one-in-four cases.

In the current year, we have prosecuted 42 people for benefit related offences, the highest ever, of which 20 cases have been NCC-led and the remainder led by the DWP.

For the 158 cases sanctioned/prosecuted so far in 2009-10, the amount of the overpaid benefit (along with any penalties accepted) is £352,533.99, an average of £2,231.22 per case (again a record amount).

Around a third of all successful cases arise from jointly working with the DWP and in 2009-10 we have achieved our highest number of NCC-led sanctions/prosecutions.

New Areas of Investigation

In 2009 the Dept for Communities and Local Government (CLG) promoted the investigation of housing fraud (unlawful sub-letting) and offered a financial incentive for councils to investigate this. NCC signed up for the initiative and currently around 50 cases are being investigated, either as a result of anonymous allegations or from a data-match exercise we carried out. Depending on results the data matching may be extended to include identification of single person discounts being wrongly claimed for council tax.

The team is keen to investigate new areas of potentially fraudulent abuse in line with 'Protecting the Public Purse,' which highlights housing, council tax, procurement and recruitment as areas where councils generally do not give the same priority as benefit fraud (but the losses could be somewhat higher).

Fraud Team Plan – 2010-2011

Proactive

The team will undertake at least four targeted fraud drives in the year, one lead per investigator. Risk assessments will be carried-out and other government departments will be invited, where applicable.

Another source for possible drives comes from data-matching, as recently highlighted by the sample housing sublet match. Again, risk assessments and justifications will be submitted prior to carrying-out such exercises. Consideration will always be given to partner organisations such as, the DWP, Police, UKBA and other LA fraud teams when planning a drive.

Reactive

The team gets referrals from various sources, both internally and externally. Approximately 30% of referrals come from staff, 30% from the public, 30% from data-matching and 10% from joint working.

Historically, the team have investigated cases involving benefits only. However, this year we will be investigating other alleged fraud perpetrated against the authority. These areas could include, Council Tax, National Non-Domestic Rates and Housing. Benefit allegations will now carry the same precedence as other referrals. Collectively, this is known as 'corporate fraud.'

Investigating other areas of fraudulent abuse will promote public confidence, comply with the Audit Commission's report of 'Protecting the Public Purse' and satisfy the requirements of the 'Use of Resources,' key lines of enquiry (KLOE).

Fraud Awareness

An 'anti-fraud and corruption' e-learning package will be compulsory to all staff and members. Additional training and awareness will be given to front-line and back-of-house services, who work in areas most at risk of loss through fraudulent activity. These include; Customer Contact, Neighbourhood Housing Officer's, Arrears Officers, Private Sector Housing, Home Options, Premises staff, Scheme Wardens, Neighbourhood Wardens, Parking Services, Revenues and Benefits.

Targets

With the balance of work shifting away from purely benefit investigations, this needs to be reflected in targets set. The highest return in relation to any sanctions and prosecutions is likely to come from benefits and this needs to be reflected in the targets.

For 2010-11 each fraud officer is to obtain a minimum of 20 benefit related sanctions/prosecutions. On top of this each fraud officer will investigate at least 20 non-benefit investigations (more than just cursory background checks) and be responsible for managing and controlling a targeted fraud drive.