

Leicester City Council

Fraud Awareness Audit and Risk Committee

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Points to cover

- Revenues & Benefits Investigation Team
- What is Fraud?
- Key issues for the Team
- Referrals & Investigation Process
- Sanctions & Prosecution Policy
- Emerging areas for the Team
- Case Studies

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R & B Investigation Team

- Headed by Investigations Manager and team of 12
- Investigate cases of suspected fraud
- Housing Benefit / Council Tax Benefit
- Council Tax Discount Single Person Discount
- Tenancy Fraud
- Insurance Fraud

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What is Fraud ?

- The Fraud Act 2006 defines fraud as....

“to make gain or cause loss by false representation, failing to disclose information or abuse of position”.

- Fraud is a criminal offence, therefore requires a Criminal Investigation

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Key issues for Investigations Team

- Criminal Investigations into suspected Fraud
- Qualifications
 - ✓ Accredited Counter Fraud Specialist
 - ✓ Accredited Counter Fraud Manager

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Key Legislation

- Criminal Procedures Investigation Act 1996
- Regulation of Investigatory Powers Act 2000
- Human Rights Act 1998
- Data Protection Act 1998
- Police And Criminal Evidence Act 1984
- Fraud Act 2006
- Proceeds of Crime Act 2002
- Public Sector Housing Fraud Act 2013

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The desire to tackle Fraud

“Leicester City Council is totally committed to both maintaining a zero tolerance towards fraud and corruption and to the prevention, deterrence, detection and the investigation of all forms of fraud and corruption affecting its activities”

Source: LCC Anti-fraud and Corruption Policy

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Referrals & Allegations

- Referrals are both reactive and proactive
- Police, Public, staff or other Local Authorities
- Proactive from data matching exercises
- National Fraud Initiative every two years
- Joint Working with the Department of Work and Pensions

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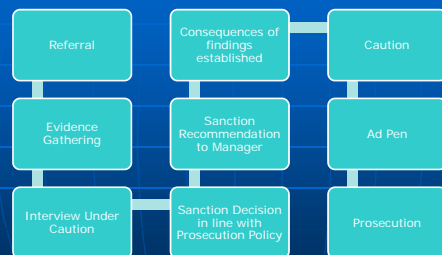
The role and the aim of the Investigator

The investigator has a code of conduct to follow.

- The Investigator will ensure that all anti-fraud work correctly identifies the guilty parties whilst protecting the innocent and minimise loss to the public purse.

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Investigation Process



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Prosecution Policy

Some of the guidance used:

- Value of o/p and the duration
- Physical & mental condition
- Was the offence premeditated
- Failure in inv/admin/delays
- Voluntary disclosure
- Previous fraud
- Social factors
- Legal Services Recommendation

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Sanctions & Prosecutions

Caution:

- This is a “formal warning”.
- Given by Investigation Manager.
- Recorded with Department of Work and Pensions.
- There must be an admission during IUC.
- May be appropriate if the value of the o/p below £2000 but we can caution if there is no overpayment.
- If the caution is refused

‘PROSECUTION’

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Sanctions & Prosecutions

Administrative Penalty:

- This is similar to a 'fine'
- Recorded with the Department of Work and Pension
- Recovery of overpayment + 30 % or 50% of overpayment
- May be appropriate if the value of the overpayment is below £2000 and the period exceeds 4 weeks
- If the Administrative Penalty is refused

'PROSECUTION'

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Sanctions & Prosecutions

Prosecution:

- If a Caution is offered but refused by the claimant.
- If an Ad Pen is offered but refused by the claimant.
- The overpayment must be 4 weeks or more.
- The value of the overpayment normally more than £2000.
- Reminder - A prosecution is not to seek recovery of benefit

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Performance Stats 2012/2013

- 221 Sanctions
- Uncovered £925,785.00 of Fraud
- Top ten performance since 2006

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Fraud is Fraud

Team of qualified and experienced officers who investigate the crime of Fraud.



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New areas for the team

- Insurance Team
 - ✓ 1st case referred resulted in prosecution
 - ✓ More cases referred and ongoing
- Tenancy Fraud
 - ✓ Produced draft prosecution policy
 - ✓ Fraud as opposed to Tenancy irregularities
 - ✓ Improving declarations and Tenancy Agreements

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Single Fraud Investigation Service

- Department of Work and Pension led
- 2014/2015 phased implementation
- LA Staff may transfer to DWP
- May leave some council's open to fraud
- LCC to review Revenues & Benefits and Corporate Fraud before April 2014.

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Case Study 1

- Allegation received from Inland Revenue, claimant has bank account that generated annual interest of £780.
- IUC- admits having £120,000 in Bank account and stated money was for charity
- Overpayment of £15,000.
- Prosecuted and found guilty
- Fined £14,000
- Costs of £2,000

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Case Study 2

- Claimant came in to Revenues & Benefits stating his daughter had gone abroad.
- He failed to declare that she had returned to the UK few months later.
- Enquires with the employer and Credit search undertaken.
- Claimant IUC'd and admitted he failed to disclose return of daughter.
- O/p £1400
- Claimant offered and accepted a caution.

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Case Study 3

- Claimant stated he had started work in January 2008.
- However provided Bank statements from November 2007, which showed credits from an employment agency.
- Stated credits were wages of a friend who did not have a bank account.
- Enquires with the employment agency confirmed were the wages of the claimant.
- When shown the evidence the claimant stated he was only working temporary hence he failed to tell us earlier.
- O/p £500, offered and accepted Ad Pen.

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Case Study 4

- Claimant and Partner claimed neither was working.
- Partner was a policeman.
- Joint Working/Investigation carried out with DWP
- Partner denied any involvement in benefit claim.
- Hand writing analysis undertaken. Confirmed partner completed benefit forms and signed for HB cheques.
- Total overpayment was over £77,000
- Partner found guilty at Crown Court and sent to prison for 8 months.
- Dismissed from the Police.

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Any Questions?



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