

**FRAUD SECTION MONITORING REPORT: FOURTH QUARTER 2011/12**

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**1.0 FRAUD WORK IN THE LAST QUARTER 2011/12**

1.1 The Fraud Section receives referrals of suspected fraud from a number of sources. The majority are from the Council's own Revenues and Benefits Section. Some referrals investigated are from the Housing Benefit Matching Service (HBMS). This is where a monthly electronic download of our benefits system is matched against records held by the DWP and any mismatches are sent back for investigation. Other referrals come from the public in a variety of forms, including our web site and benefit fraud hotline.

1.2 The referrals received are assessed and prioritised for investigation, on a rolling basis. The last quarter has, therefore, resulted in sanctions being applied from work started earlier in the year. A summary of workload for the quarter is shown below.

**1.3 Caseload investigated 1<sup>st</sup> Jan 2012 to 31<sup>st</sup> March 2012**

Number of cases referred:	<b>38</b> (total 2011/12: 171)
Number of cases accepted for investigation:	<b>29</b> (total 2011/12: 97)
Number of cases closed (after investigation):	<b>36</b> (total 2011/12: 134)
Number of cases summonsed for prosecution:	<b>3</b> (total 2011/12: 10)
Number of successful prosecutions:	<b>3</b> (total 2011/12: 9)
Number of prosecutions found "Not guilty":	<b>0</b>
Number of prosecutions rejected:	<b>0</b>
Number of Administrative Penalties (fines) given:	<b>1</b> (total 2011/12: 8)
Number of Cautions given:	<b>5</b> (total 2011/12: 20)

## 2.0 **PROGRESS AGAINST TARGETS**

- 2.1 The DWP have not set targets for this financial year but our results are still recorded and reported to them. To record ongoing progress we set our own targets based on the benefits live caseload and the previous statutory targets. The target this authority is expected to achieve is 43 successful sanctions.
- 2.2 The sanction figures were below target for this quarter but this could be reflected in an upturn in the figures for the next quarter. There is no way of knowing how long an investigation will take and if, indeed, it will result in a sanction.
- 2.3 As a result of their investigations in the last quarter, the fraud team has identified fraudulent overpayments of housing and council tax benefits of £16,968.92. The Revenues and Benefits recovery team will pursue recovery of these overpayments. Through joint working with the Department for Work and Pensions, we also identified overpayments in relation to benefits administered by them. The total overpayments figure for the year is £128,894.34.
- 2.4 Administrative Penalties amounting to £2724.30 were given to fraudulent claimants during this financial year. This is recovered with the overpayments by a dedicated overpayments officer within the benefits section. The rules regarding these penalties have changed from April 2012. The fine will now be a minimum of £350 or 50% of the overpayment.

## 3.0 **STAFFING ISSUES**

- 3.1 This Fraud Prevention Team was part of the Shared Services project under Revenues and Benefits and the employing authority from 1<sup>st</sup> June 2010 is Carlisle City Council. The section is fully staffed at the moment. There are two full time investigators and an administrative assistant who works here two days a week.
- 3.2 Prosecutions are still handled by our Legal Section, or, where there is a joint prosecution with the DWP, by the Crown Prosecution Service.

## 4.0 **CURRENT FRAUD WORK**

- 4.1 As at 10/04/2012 the section has a caseload of 56 live investigations.
- 4.2 Work continues on the National Fraud Initiative (NFI) exercise. The match between the single person's discount and the electoral register has now been received and will be checked by the Council Tax department. The bulk of the exercise will be received later this year and the majority of the work will be carried out by the fraud section.

5.0 **CONCLUSION AND RECOMMENDATION**

- 5.1 Fraud work is progressing in line with the business plan. The last quarter has resulted in sanctions being applied from work started earlier in the year and this is slightly below target at this time.
- 5.2 Members are recommended to note this report.

**Officers Consulted:** Corporate Team