

FRAUD SECTION MONITORING REPORT: **Third Quarter 2012/2013**

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1.0 **FRAUD WORK IN THE THIRD QUARTER 2012/2013**

1.1 **Caseload investigated 1st October 2012 to 31st December 2012**

Number of cases referred:	55
Number of cases accepted for investigation:	37
Number of cases closed (after investigation):	69
Number of cases summonsed for prosecution:	1
Number of successful prosecutions:	0
Number of prosecutions found "Not guilty":	0
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	4
Number of Cautions given:	6

2.0 **PROGRESS AGAINST TARGETS**

2.1 The Department for Work and Pensions (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.

2.2 Based on the current caseload, we need to achieve an annual target of 43 sanctions (Prosecutions, Admin Penalties or Cautions), i.e. 11 per quarter as set by the benefits manager.

2.3 For the first 9 months of 2012 we have achieved:

	Q1	Q2	Q3	<u>Year to date</u>
No of investigations closed	50	55	69	174
No of sanctions	5	8	10	23

This means that, up to the end of the third quarter the number of sanctions is slightly below target. One of the main factors of this was the delay in receiving referrals from the Housing Benefits Matching Service (HBMS) due to security problems with data transfers. This has now been resolved and the number of referrals risen considerably.

2.5 In July 2012 we received in excess of 250 referrals from HBMS as part of a separate data scan. This scan indicated claimants who are in receipt of benefit due to low income but have not reported any changes in the last 13 months. This exercise is still under way and producing good results. Four customers withdrew their claims, the financial implications of this action cannot be recorded.

2.7 As a result of their investigations in the third quarter, the fraud team have identified benefits overpayments of £32,176.46. For the period from April to December overpayments arising from identified fraud and error total £104,573.74. The Revenues and Benefits Recovery team will pursue recovery of these overpayments.

3.0 STAFFING ISSUES

3.1 The fraud section is part of the Revenues and Benefits Shared Service. There are 2 investigators based in The Copeland Centre and a part-time administrative assistant who covers both Copeland and Allerdale. Prosecutions are now being handled by our Legal Section and the Crown Prosecution Service.

4.0 CURRENT FRAUD WORK

4.1 As at 31.12.12 the Fraud Section has a caseload of 85 live investigations.

4.2 The National Fraud Initiative exercise for 2012/13 started in October. The data match took place on the 8th October and this year will include licence holders for taxis and licensed premises. The results from the data match will be sent to the Local Authority in February 2012.

4.3 NFI data matching results on council tax single person discount (SPD) awards are currently being reviewed by the Revenues Department. The final figures will be available for the next report.

5.0 CONCLUSION AND RECOMMENDATION

5.1 Fraud work is progressing in line with the business plan. The fraud team have undertaken training in the new regulations for conducting directed surveillance and have also attended a training course in Data Protection. This ensures that we are up to date with all new legislation. There will be a new fraud referral form on our web site for anyone wishing to report a suspected fraudulent claim on-line.

5.2 Members are recommended to note this report.

Officers Consulted: Corporate Team