

**FRAUD SECTION MONITORING REPORT: FIRST QUARTER 2008/09**

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**1.0 FRAUD WORK IN THE FIRST QUARTER 2008/09**

**1.1 Caseload investigated 1<sup>st</sup> April to 30<sup>th</sup> June 2008**

Number of cases referred:	95
Number of cases accepted for investigation:	62
Number of cases closed non-proven:	32
Number of cases summonsed for prosecution:	0
Number of successful prosecutions:	5
Number of prosecutions found "Not guilty":	0
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	6
Number of Cautions given:	8

**2.0 PROGRESS AGAINST TARGETS**

- 2.1 The DWP set an annual target based on the Benefits live caseload. To enable comparisons with other Local Authorities, these targets are set per 1000 caseload. In 2008/09, the annual target for the number of investigations carried out is 41.2 per 1000 caseload. Based on Quarter 1's Benefits caseload of 6,594, this is a target of 272 investigations for the year i.e. 68 per quarter.
- 2.2 The target for sanctions (successful prosecutions, Administrative Penalties, Cautions) is 4 per 1000 caseload. This means an annual target of 27 sanctions i.e. 7 per quarter.
- 2.3 There is no set target for the number of investigators. We have 3 Fraud Investigation Officers, including the team leader. This is in line with the number at similar-sized District Councils.

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- 2.4 For the first quarter to 30 June, we have achieved: -

	<u>Target</u>	<u>Actual</u>
No. of investigations closed	68	103
No. of sanctions	7	19*

\* 6 Administrative Penalties, 8 Cautions, 5 Prosecutions

- 2.5 The targets were substantially exceeded this quarter but this could be reflected in a downturn 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.
- 2.6 As a result of their investigations in the first quarter, the fraud team have identified benefits overpayments of £34,156.27. The Revenues and Benefits recovery team will pursue recovery of these overpayments. We also had 5 benefits claims cancelled by the claimant this quarter, after the investigations were conducted, but sanctions were not applied in these cases as there was insufficient evidence to proceed. The financial implications in these cases cannot be judged.
- 2.7 Administrative Penalties amounting to £1,373.53 were given to fraudulent claimants in the first quarter. This income will be reinvested in fraud investigation activities [e.g. to pay search fees] but cannot be recovered until all the Benefit overpayment has been repaid.

**3.0 STAFFING ISSUES**

- 3.1 The section is fully staffed with a Team Leader, 2 investigators and an Admin Support Officer. One of the investigators resigned in this quarter. She was replaced by the Admin Support Officer who had completed modules 1 to 9 of the Professionals in Security (PINS) training. The Admin Support post has been filled internally with the successful candidate due to start in this post on 21.07.08. It is hoped that she will undertake the PINS training. Staff appraisals have been undertaken for the staff already in post.
- 3.2 Prosecutions are being handled by our Legal Section. Where prosecution cases are investigated jointly with the Department of Works and Pensions (DWP), their solicitors deal with the prosecution and court work, at no cost to the Local Authority.

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**4.0 CURRENT FRAUD WORK**

- 4.1 As at 30/06/08, the Fraud Section had a caseload of 94 live investigations.
- 4.2 Work will now start on the National Fraud Initiative 2008/09. During the summer, trial extractions of data may be made and the live extraction will be made in October 2008. The purpose of this exercise and background information will be made available on the CBC web site.

**5.0 CONCLUSION AND RECOMMENDATION**

- 5.1 Fraud work is progressing in line with the business plan. The first quarter has resulted in sanctions being applied from work started earlier in the year and these have exceeded the quarterly targets. This will contribute towards meeting the annual target, as it is unlikely that as many sanctions will be achieved in the second quarter, with investigations currently in the early stages.
- 5.2 Members are recommended to note this report.

**Out to Consultation with:** Corporate Team

**Background Papers:** None