

FRAUD SECTION MONITORING REPORT: SECOND QUARTER 2008/09

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1.0 FRAUD WORK IN THE SECOND QUARTER 2008/09

1.1 Caseload investigated 1st July to 30th Sept 08

Number of cases referred:	85
Number of cases accepted for investigation:	65
Number of cases closed (after investigation)	61
Number of cases summonsed for prosecution:	1
Number of successful prosecutions:	2
Number of prosecutions found "Not guilty":	0
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	1
Number of Cautions given:	3

2.0 PROGRESS AGAINST TARGETS

- 2.1 The Department of Works 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. To enable comparisons with other Local Authorities, the figures 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 the current average Benefits caseload of 6,635, this is a target of 273 investigations for the year, i.e. 68 per quarter. The benefit caseload is slightly higher than it was in Quarter 1 of this year.
- 2.2 Based on the current caseload, we need to achieve an annual target of 27 sanctions (Prosecutions, Admin Penalties or Cautions), 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.

- 2.4 For the second quarter 1st July to 30th Sept 08 we have achieved:

	<u>Quarterly</u>		<u>Half Year</u>	
	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>
No of investigations closed	68	61	136	128
No of sanctions –	7	6*	14	25**

[* 1 Admin Penalty, 3 Cautions and 2 Prosecutions – Quarter 2]

[** 7 Admin Penalties, 11 Cautions and 7 Prosecutions – Half Year]

- 2.5 The number of investigations closed for quarter 1 have been revised in line with the current DWP definition of “investigation”. This means that, for the half year, the number of investigations is slightly below target. Progress was slower in the second quarter. One of the main factors of this was the lack of 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 should improve.
- 2.6 As a result of their investigations in the second quarter, the fraud team have identified benefits overpayments of £24,815.16. For the period from April to September overpayments arising from identified fraud total £58,971.43. The Revenues and Benefits Recovery team will pursue recovery of these overpayments. We also had 1 benefit claim cancelled by the claimant in this quarter, after the investigation was conducted but a sanction was not applied for varying reasons. The financial implications in these cases cannot be judged.
- 2.7 An Administrative Penalty amounting to £245.83 was given to a fraudulent claimant in the second quarter. This income will be reinvested in fraud investigation activities but will not be recovered until all the benefit overpayment has been repaid.

3.0 STAFFING ISSUES

- 3.1 This section is fully staffed with a Team Leader, 2 investigators and an Admin Support Officer.
- 3.1 Prosecutions are now being handled by our Legal Section and Solicitors Branch of the Department of Works and Pensions.

4.0 CURRENT FRAUD WORK

- 4.1 As at 30/9/08, the Fraud Section has a caseload of 96 live investigations.
- 4.2 The National Fraud Initiative exercise 2008/2009 started in October. The data match took place on the 6th 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 January 2009.

5.0 CONCLUSION AND RECOMMENDATION

- 5.1 Fraud work is progressing in line with the business plan. Fraud awareness talks have been taking place in this quarter for new Copeland Direct staff and will continue to include all members of Customer Services staff within the next 6 months. The Fraud Team Leader is currently working with her counterpart at Allerdale Borough Council and Carlisle City Council with regard to shared services and a business plan will be presented at the end of November.
- 5.2 Changes in the Welfare Reform Act have allowed Local Authorities to prosecute national benefit offences from April 2008. It is, therefore, proposed that all fraud investigation staff undertake an overview training programme in the administration of these benefits.
- 5.3 It is recommended that Members note the successful performance against the sanctions targets for the half year.