

FRAUD SECTION MONITORING REPORT: SECOND QUARTER 2011/12**LEAD AUTHOR:** KATE DOWLE**1.0 FRAUD WORK IN THE SECOND 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 second 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 1st July to 30th September 2011

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| Number of cases referred: | 47 |
| Number of cases accepted for investigation: | 26 |
| Number of cases closed (after investigation): | 39 |
| Number of cases summonsed for prosecution: | 2 |
| Number of successful prosecutions: | 2 |
| Number of prosecutions found "Not Guilty" | 0 |
| Number of prosecutions rejected: | 0 |
| Number of Administrative Penalties (fines) given: | 2 |
| Number of Cautions given: | 5 |

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. 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 second quarter, the fraud team has identified fraudulent overpayments of Housing and Council Tax Benefits of £36,626.40. To date for 2011/12 we have identified £46,514.78 in fraudulent overpayments. 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.
- 2.7 Administrative Penalties amounting to £981.63 were given to fraudulent claimants in the second quarter. This is recovered in conjunction with the overpayments by a dedicated overpayments officer within the benefits section.

3.0 STAFFING ISSUES

- 3.1 The Fraud Prevention Team was part of the Shared Services project under Revenues and Benefits and the employing authority from 1st June 2010 is Carlisle City Council.
- 3.2 The section is now fully staffed under the new restructure of the shared service. There are now 2 full time fraud investigators and 1 part time administrative support officer. The Fraud Team Leader is based primarily at Allerdale Borough Council, but works over the three sites.
- 3.3 Prosecutions are still handled by our Legal Section or, where there is a joint prosecution with the DWP, by the Solicitors Branch of the DWP. There are currently 2 prosecution cases with our Legal Section and these are due to be heard at Workington Court on the 24th of October 2011.

4.0 CURRENT FRAUD WORK

- 4.1 As at 30 September 2011, the section has a caseload of 66 live investigations.
- 4.2 Work continues on the National Fraud Initiative (NFI) exercise. There is a further data extract from council tax due to take place in October but no decision has been taken as yet as to whether these will be investigated.

5.0 CONCLUSION AND RECOMMENDATION

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

Officers Consulted: Corporate Team