

## Appendix 1

### Corporate Anti-Fraud Team Service Plan 2014-15 Outcomes and associated Case Studies

	<b>Project Number, Name &amp; Description</b>	<b>Expected Outcome</b>	<b>Actual Outcome (exceeded, met, not met)</b>	<b>Number of cases (if relevant)</b>	<b>Value of fraud identified/fraud loss/fraud prevention (if relevant)</b>	<b>Commentary</b>
1.	Deliver Housing/Council Tax Benefit sanctions	16 sanctions (work transferred to the DWP on 01/10/14)	Exceeded	22 cases	£480,685.94 (actual loss)	Some results occurred after 01/10/15 due to the long lead in time for prosecution work. A number of cases are still yet to appear at court
2.	Housing Tenancy Fraud	Identification of 15 housing tenancies subject to misuse and targeted for possession action	Not met	6 tenancies recovered 1 fraudulent succession intercepted 3 cases with legal awaiting proceedings 1 case with Housing Association solicitors awaiting proceedings	£504,000 (loss prevention amount generated by freeing up council tenancies and removing families earlier than normal from B&B/Temp accommodation)	Whilst this objective was not met, there are a number of ongoing investigations at an advanced stage where sound evidence has been gathered indicating tenancy misuse and the team is working closely with housing resident services and legal to ensure properties are recovered either voluntarily or through court action.

3.	Housing Tenancy Data match	Undertake a housing tenancy data match with Experian to identify instances of housing fraud/misuse.	Met	<p>929 matches received in total</p> <p>Very high 14</p> <p>High 177</p> <p>Medium 436</p> <p>Low 302</p> <p>300 matches sifted to date</p>	£108,000 (2 tenancies recovered to date and included as part of No. 2 objective above)	All very high and high matches have been processed resulting in 2 properties being recovered through fraud to date. Currently medium risk matches are being sifted with a view to completing these and a 10% sample of the low risk matches by the end of September 2015. To date 300 matches have been processed.
4.	Pan London Housing Fraud Hub	Harrow data (CTRS, Housing & Waiting list) input into pan London fraud hub for initial datamatch and more general interrogation to aid prevention of housing assessment fraud – subject to IT security	Met	0	£0 (to date)	There are currently 18 hub members in London. The authority became a member at the end of March 2015. The hub involves a monthly upload of Council Tax Support claims, Housing tenancy data and Housing Waiting List data into a secure repository and access granted to these depts. to support front line service delivery. If an individual/family approaching the authority for assistance is searched on the hub and has a live relationship with another hub member, this will allow the authority to challenge and potentially prevent any losses at the gateway to the service or to

						intercept sooner rather than later. During 2015/16 there will be a focus to embed use of the hub within services so that its use is integrated into core processes.
5.	Blue badge proactive fraud drives	Identification of blue badge misuse and associated follow up sanctions	Met	4 operations delivered resulting in the identification of 19 instances of blue badge misuse.	No widely available formula to measure the cost of badge misuse but TFL estimate that it could be in the region of £5,000-£10,000 per annum in terms of lost parking revenue per badge. Taking the conservative £5,000 loss fraud value of 19 cases could be £95,000 fraud loss.	The team ran 4 operations successfully during the year and will continue to do so in 2015-16
6.	Fraud risk review of Direct Payment cases	Identification of direct payment fraud/financial irregularity through a sample review of	Not met	N/A	£0	This objective suffered for 2 main reasons. Firstly, through the disruption caused by the transfer of work and staff to SFIS as the officer dealing with the project

		high risks cases				was TUPE'D across to the DWP. Secondly, whilst the project was handed to another officer in October 2014 to pick up, they were unable to gain any traction as accessing the necessary sample information proved difficult. Direct payment monitoring information is not held on electronic systems and is stored clerically so locating the data is time consuming for the service area to retrieve. The matter has been escalated through management channels and remains a high risk to the authority and so is on the Fraud Service Plan for 2015-16.
7.	Fraud risk review of Insurance cases	Identification of Insurance fraud/financial irregularity through a sample review of high risk cases	Not met	N/A	£0	This objective as reported in the mid year report was discontinued due to a lack of capacity on the team. The officer with responsibility for this area transferred to the DWP and their post was deleted as part of the CAFT reorganisation. Whilst no proactive sampling of Insurance cases was possible, the Insurance Teams themselves have a robust process in place to deal with fraud and corruption risks which was

						established by Internal Audit in their review in 2014/125 which included fraud risks. The report was a green assurance report
8.	Proceeds of Crime Act 2002 (POCA)	Identify and pursue 4 suitable cases to recover criminal proceeds	Not met	N/A	£0	No cases were identified for POCA action and as all historical POCA cases undertaken by the CAFT have been generated by housing/council tax benefit fraud work, it was unrealistic to continue with the objective with this work being transferred. All fraud proven cases will always be considered for POCA action should tangible assets be identified during the investigation
9.	NFI 14/15 data submissions	Data subject privacy notices reviewed, data extracted and uploaded securely to Audit Commission as per specification and to deadline	Met	N/A	N/A	All data sets required as part of the exercise were extracted from the various systems and uploaded securely by the October 2014 deadline. Matched records were returned to the authority in January 2015 and the CAFT continues to support service areas in processing these matches. Any fraud cases identified are referred to the CAFT through usual channels.

10.	Income opportunities/generation	Identification of income through administrative penalties, caution fines and HB overpayment recovery through fraud work	Exceeded	29 cases	£45,329.98 income generated	Income generated and recovered through administrative penalties and contributions paid by suspects towards investigation costs. It should be noted that the vast majority of income generated through administrative penalties (£40,688.98) did not come back into the CAFT budget, but was diverted towards the Revenues and Benefits budget as these penalties are raised as a result of a housing benefit overpayment.
11.	Deliver an anti-fraud awareness campaign	Deliver an anti-fraud week campaign and co-ordinate communications prior, during and after the week	Not met	N/A	N/A	The awareness campaign did not take place due to a combination of lack of capacity and the larger piece of work currently under consideration following publication of the CIPFA Code of Practice on Managing the Risk of Fraud & Corruption. Awareness of fraud and corruption is an element of Code and it was decided to pick up this element up as part a co-ordinated larger piece of work in 2015-16.
12.	Pilot Identity Authentication Solutions in Housing Services	Identification of compromised documentation at	Met	235 scans taken	£0	CAFT arranged for Housing Services to trial a piece of Identity Documentation Verification

		gateway preventing fraud entering the housing system				software for a 3 month period between June – August 2014 whereby individuals applying to the authority had their ID documents scanned using the smart software. In total 235 scans were taken of a variety of ID documents and all were verified as authentic. No documents were found to be compromised. This provides some assurance that the authorities' housing stock is not being targeted by organised criminals using forged and counterfeit identity documentation
13.	Fraud risk review of housing waiting list	Identification of fraudulent housing applications / interception of cases before perm allocation of tenancy	Met	16 applicants removed	£1,133,800 ((loss prevention amount generated by removing individuals/families from the housing register that may have been allocated a property had the fraud checks not been undertaken)	All applicants banded in A & A* on the housing register were subject to fraud checks and this resulted in the removal of 16 applicants that may have been successful in bidding for a property.

14. **Other areas of reactive fraud risk investigations with positive outcomes achieved**

**A) Employment with the Council**

Two employees identified as committing fraud against the authority were subject to disciplinary proceedings and dismissed.

Employee one was identified through the National Fraud Initiative (NFI) as having no right to work in the UK. The Home Office confirmed he had no right to work in the UK and that he was reporting to their office as an overstayer on a weekly basis. He was arrested by UK Border officials on suspicion of possession of a counterfeit British passport to obtain employment with the authority and was removed from employment. He was subsequently prosecuted for this offence by the Border Force and was sentenced to 5 months imprisonment suspended for 12 months in August 2014. The cost of the fraud is valued at almost £60,000 (his salary whilst working at the authority).

Employee two was identified through reactive reconnaissance of blue badge use on the Civic Centre site and surrounding roads. The agency employee who was employed in the Public Health Service, was suspected of displaying a badge belonging to a family member in a pay and display bay on a surrounding road to the Civic Centre whilst the badgeholder was not present. Given this potential offence and the risk posed to the authority as an employee potentially abusing the scheme, CAFT officers challenged the employee and they provided an account that was deemed to be unreliable. This information was provided to the line manager who decided to terminate the employee's work with the authority. The value of this fraud is somewhat difficult to quantify as it is not known how many times they used the badge to park and evade parking charges. In addition to this, the case has been approved for prosecution and is currently awaiting a summons to be issued for the offence.

**B) School admissions**

Two rising 5 school applications were referred to the CAFT during 2014-15 as suspicions were raised that information provided on the applications were incorrect, mainly surrounding the declared addresses.

Applicant one applied to the authority for their child as part of the cyclical admissions programme on the basis that they were residing at address A. Anonymous information was received indicating that the applicant was in fact residing at address B which would impact the awarding of the school place of choice. Following some enquiries undertaken with third party organisations, they all confirmed that the applicant had registered everything at address A such as utilities, bank information and GP information. Further anonymous information was received stating the same facts so an early morning synchronized visit to both properties was undertaken which revealed that applicant was not in fact residing at address A as they had stated. The occupant of address A was a close relative and had no idea the applicant had changed all their documentation to support the application. The occupants of address B were the applicant's parents and they continued to support the applicant in stating they were living at address A. A recommendation was made to school admissions to deny the application from address A and accept it from address B which was



duly carried out

Applicant two applied to the authority for their child in year on the basis that they were residing at address A. A tenancy agreement was provided amongst other supporting documentation for address A. It is suspected that the applicant does not reside at address A. This case is still live under investigation and the outcome will be reported later in the year if complete.

#### **Other case studies**

##### **C) Housing application**

Mrs F applied to Harrow for Housing on the basis that she was a single parent with 3 dependants and was awarded an A banding on the Housing Register. During sample checking of Band A applications, the Investigation Officer found a link to an address in Hertfordshire where he confirmed that the applicant had a tenancy in a Housing Association property with her partner and children for a number of years. The applicant had continued to bid for properties in Harrow after they had been awarded the tenancy in Herts and may have been allocated another tenancy had the check not been undertaken. In addition to this, the officer also traced the partner to an address in another London Borough where they had their own housing application and live bidding process. This information was passed to London Council and they have subsequently removed the individual from their register. Had both individuals been successful in their applications, they may now have been in possession of 3 social tenancies and probably renting out 2 for profit. This matter was deemed to be so serious that a prosecution has been authorised and the matter is currently with Legal Services for issue of summons. Harrow is seeking to prosecute on behalf of the other London Council for that element of the attempted fraud.

##### **D) Housing succession**

Mrs G applied verbally to succeed to the 3 bedroom Council tenancy of her late mother who had passed away some months previous. She was provided with the necessary forms to complete in order that her application be validated and considered accordingly. She continued to pressure the housing department to grant the succession but returned no completed forms. Eventually when the forms were provided they contained the name of another individual (her brother's details) as opposed to Mrs G's. Both Mrs G's and her brother's credentials were verified through 3<sup>rd</sup> party sources where it was discovered that both held tenancies elsewhere and did not appear to reside with their late mother prior to her passing. Mrs G holds a social tenancy at another London Borough. Both individuals were invited to attend formal interview but neither attended. The application to succeed to the tenancy was rejected thus preventing a 3 bedroom property falling into the wrong hands. Both individuals continue to be investigated and a decision on further action will be made in due course.