

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

LEAD AUTHOR: KATE DOWLE

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

1.1 **Caseload investigated 1<sup>st</sup> July 2012 to 30<sup>th</sup> Sept 2012**

Number of cases referred:	80
Number of cases accepted for investigation:	25
Number of cases closed (after investigation):	55
Number of cases summonsed for prosecution:	2
Number of successful prosecutions:	3
Number of prosecutions found "Not guilty":	1
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	2
Number of Cautions given:	3

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 6 months of 2012 we have achieved:

	Q1	Q2	<u>Year to date</u>
No of investigations closed	50	55	105
No of sanctions	5	8	13

This means that, up to the end of the second 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. These are currently being sifted and are producing good results. A further report of this exercise will be given when the exercise is complete.

2.6 We used our new 'search and seize' powers for the first time in this quarter. This enables us to enter a property with the police and search for evidence relating to the benefit claim. If evidence is found the claimants are immediately arrested and taken to Workington Police Station to be interviewed under caution. They are then bailed pending further action.

2.7 As a result of their investigations in the second quarter, the fraud team have identified benefits overpayments of £42,594.21. For the period from April to September overpayments arising from identified fraud total £72,286.87. The Revenues and Benefits Recovery team will pursue recovery of these overpayments. We also had 4 benefit claims 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.

### 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 30.09.2012, the Fraud Section has a caseload of 134 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. As at 10 October 2012, £11,590 has been identified for recovery as part of this exercise.

#### **5.0 CONCLUSION AND RECOMMENDATION**

- 5.1 Fraud work is progressing in line with the business plan. Fraud awareness talks have been given to all members of Copeland Direct, Revenues and Benefits and Council Tax. 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