

Update on the work of anti-fraud

Anti-fraud

1. This section of the report provides a review of the anti-fraud work conducted.
2. The anti-fraud team work is split in to two categories:
 - Reactive work, which is the response to reports and allegations of fraud.
 - Proactive work, which includes initiatives to identify fraud and to prevent fraud.
3. The anti-fraud work is conducted by two anti-fraud teams, who are:
 - Anti-fraud services based in Finance and Governance, which investigates all cases involving the council's employees, agents, contractors, anyone else conducting business for or with the council, and members of the public. There are multiple types of fraud this could include, some of which are theft, council tax fraud, significant financial fraud, procurement fraud, grant fraud, national nondomestic rates fraud or evasion, false documents, identities and applications, and immigration offences.
 - The special investigation team (SIT) based in Housing and Modernisation, which investigates housing tenancy fraud in respect of the housing stock owned and managed by the council and other social housing where legislation directs that a local authority has specific responsibility. This includes cases of unlawful subletting, non-occupation, succession, assignment, mutual exchange, and right to buy.

Reactive anti-fraud work

4. The number of referrals received through the council's website, fraud email, fraud hotline and by letter for the two anti-fraud teams between 1 April 2017 and 31 January 2018 was 138 Anti fraud and 597 SIT referrals.
5. The anti-fraud team has issued 11 sanctions over this period
6. The Special Investigations Team has issued 38 sanctions over this period
7. Housing management has recovered an additional 70 properties, and the special investigations team has undertaken an additional 21 preventative actions, which can include a right to buy being stopped or a tenancy succession claim being cancelled, for example.

Proceeds of Crime Act

8. The Proceeds of Crime Act 2002 (POCA) provides for the confiscation or civil recovery of the proceeds from crime and contains the principal money laundering legislation in the UK. This work acts as an important deterrent to show that crime against the council does not pay.
9. Between 1 April 2017 and 31 January 2018, work in this area, has resulted in the courts recognising that those we have prosecuted have benefited from their criminal conduct to the value of £199,241.75

Proactive anti-fraud work

National Fraud Initiative (NFI)

10. The Anti-Fraud service is now concentrating efforts on matches which have the potential to identify financial outcomes. We are seeking to train a Benefits Officer to support undertaking NFI match investigations.
11. All key payroll reports are closed or in progress by Anti-Fraud.
12. An update on the NFI is shown below.

Match Type	Total NFIs as at 01/02/18	Total Recommended Matches	Total recommended matches closed	Total recommended matches 'In progress'	Total recommended matches 'Not opened'	Errors detected in all Closed Matches	Fraud detected in all closed matches	Referrals to DWP	Outcome £
Council Tax Reduction Scheme	2809	137	133	4	0	2	0	16	£1,833
Council Tax SPD	12765 (5987 to action)	0	0	0	0	765	765	0	£782,673
Creditors History	7305	1734	423	0	1311	0	0	0	£-
Creditors Standing	10233	0	0	0	0	1	0	0	£-
HB Claimants	3815	370	360	10	0	24	0	14	£105,640
Payroll	833	80	56	24	0	0	1	0	£10,000
Market Traders	1	0	0	0	0	0	0	0	£-
Personal Budgets	83	34	34	0	0	1	0	0	£-
Residential Care Homes	50	11	11	0	0	6	0	0	£75,134
Procurement	47	2	0	2	0	0	0	0	£-
Pensions	294	206	120	86	0	2	0	0	£5,457
Housing Tenants	1398	995	690	305	0	1	3	0	£-
Resident Parking Permits	36	33	31	2	0	11	0	0	£-
Blue Badge Permit	413	395	395	0	0	257	1	0	£148,350
Right to Buy	261	46	38	8	0	1	1	0	£208,000
Waiting List	877	806	692	114	0	60	9	0	£83,666
TOTAL	41220	4849	2983	555	1311	1131	780	30	£1,420,755

Anti-money laundering and Right to Buy

13. The council has introduced additional forms to check the veracity of sources of funding in order to purchase properties under the right to buy scheme.

14. From 1 April 2017 to 31 January 2018. The following outcomes have been recorded for this period:

Outcome	Number
Funded from legitimate sources	109
Withdrawn by applicant on receipt of the money laundering form	2
Withdrawn following consultation with the council based on the information provided on the form	25
Possible housing benefit fraud (referred to DWP)	0
Possible tenancy fraud (referred to housing special investigation team)	21
Under review and/or additional information requested	2

Fraud and verification

15. The anti-fraud service checks the veracity of waiting list and homelessness applications which have raised a cause for concern, and conduct a review to enable housing management to make an informed decision on the applicant's eligibility to remain on the housing register.

16. From 1 April 2017 to 31 January 2018, 333 applications which have been referred to the team have been reviewed, of these 217 have been recommended for removal from the housing register and 75 have been recommended as being bona fides.