

## **CORPORATE FRAUD REPORT**

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### **REASONS FOR THE REPORT**

Good practice dictates that the Committee receives regular reports on counter fraud measures throughout the Council.

This is the first of two bi-annual reports on counter fraud and investigation work.

### **OPTIONS OPEN TO THE COMMITTEE**

The Committee is asked to review the information contained in the report.

#### **1. Benefit Fraud**

1.1. Joint working with the Department for Work and Pensions, UK Border Agency, Police and our internal legal team continues to be very good and effective. So far this year 41 cases have resulted in a sanction. These were 10 prosecutions, 21 cautions and 10 administrative penalties (fines). The results to date indicate that we are in a good position to achieve our target of 75 sanctions by the end of the financial year.

#### **2. Referrals**

2.1. Referrals are generated from our fraud hot line. So far this year 498 referrals have been received and are being investigated. We take all referrals seriously and every piece of information is investigated. This could be as basic as an unannounced visit just to check on the accuracy of the report or, where there is more detail and we feel it is appropriate, a full criminal investigation.

2.2. The referrals generated to date indicate that we are in a good position to achieve our team target of 1,000 by the end of the financial year. Referrals often increase when we publicise a successful prosecution or when the team gets other publicity for their work.

#### **3. Blue Badge Checks**

3.1 Officers in the Corporate Anti-Fraud Team have carried out random spot checks on a monthly basis. So far 156 badges have been inspected and as a result, 28 badges have been seized. The majority of these have been used by other members of the family/third parties and warning notices have been issued to the badge holders.

3.2 Four badges have been cancelled; Two where the individuals are now residing in care homes and the badges where being held and controlled

by relatives. In both cases the badge holders were said to visit “home” sporadically. The decisions to cancel were taken after discussion with Social Workers and families.

- 3.3 A third cancellation was made due to extreme aggravating factors from the relative (daughter) found using the badge, involving a Breach of Peace requiring Police intervention. The Badge holder also demonstrated subsequent poor attitude when officers made follow up enquiries.
- 3.4 The fourth cancellation was made by London Borough of Brent under direct instruction by the Corporate Anti – Fraud Team. The Badge is administered by Brent but Hillingdon are investigating the offences committed. This case is ongoing and may result in further action under the Road Traffic Regulations Act.
- 3.5 These checks have been well received by genuine badge holders who have, when approached by officers, welcomed the checks and Hillingdon's attempts to stamp out misuse.

#### **4. Sub-lets**

- 4.1 Sub-letting of council house properties is a major problem in London. In Hillingdon our Blow the whistle on Housing Cheats publicity campaign has generated 39 referrals. As a result of these we have managed to reclaim seven properties (six LBH properties and one Housing Association property). We have eleven on-going investigations and indications from evidence obtained so far suggest that some of these will result in further properties being available to meet the needs of our residents in housing need.
- 4.2 We are currently working with Experian (credit reference agency) to cross-match our Housing Tenancy records to try to identify possible sub-lets. We are the first Council to work with Experian on such a large project and we expect to get a report from them in September. This report will highlight high-risk cases for further investigation.

#### **5. Identity Fraud**

- 5.1 Hillingdon has taken the lead on this type of investigation through a co-operative framework with our Local Police Force, Department for Work and Pensions and UK Border Agency. As a result of this close liaison we have had two successful prosecutions, where both fraudsters were sent to prison. Our work in this area has attracted good publicity and Hillingdon recently featured in the TV programme Fake Britain; where members of the team were filmed working in a joint partnership operation.

- 5.2 Few other Local Authorities have the mechanisms in place to deal with such cases. As with all our fraud cases, our internal Legal Team have been instrumental in managing the prosecution of these cases.

## **6. Visits**

- 6.1 Visiting Officers form part of the Corporate Fraud team there. The majority of the visits are in relation to Council Tax inspections which ensure that the Council maximises its income and maintains an up to date data base. So far this year 4,100 visits have been carried out. The target number of visits for 2011-12 is 10,000 so we are on target.
- 6.2 There are a considerable number of new developments under way in Hillingdon and it is essential that we maintain the visits programmes to ensure that our tax base is accurate. This will be even more important if the pooling of Uniform Business Rates is abolished because Hillingdon will be dependent on accurate records to ensure that it maximises income.
- 6.3 Visiting Officers also visit householders to check on Housing and Council tax Benefit claims as part of our fraud detection and prevention measures. So far 232 such visits have been carried out this year. Visiting officers also undertake tenancy visits on behalf of A2 Dominion Housing Associate. These are combined with benefits visits and are therefore at marginal cost to Hillingdon and we receive a small amount of income from the A2 for carrying out this work on their behalf.

## **7. Internal investigations**

- 7.1 Cases of suspected fraud are initially investigated by Internal Audit and where relevant, disciplinary action is taken to dismiss offenders. The fraud team are kept up to date with these and often investigate in the background. Once staff have been dismissed the case is handed to the fraud team for any prosecution action. Four cases, referred by audit are currently being investigated.

## **8. National Agendas and Publicity**

- 8.1 The success of the team does not go unnoticed and Hillingdon's Corporate Fraud Team is represented at national fraud events. They are regularly consulted and take part in workshops run by the National Fraud Authority and the Corporate Fraud Manager has been involved in discussions with the DWP policy team responsible for establishing the Single Investigation Service. Team members take leading roles in the London Borough Fraud Investigation Group and Local Authority Investigation Officers Group.
- 8.2 The Corporate Communications team are kept informed about our successful prosecutions and they ensure maximum publicity to both our

residents and staff. The Blow the Whistle on Housing Cheats poster appears in every issue of Hillingdon People.

- 8.3 Based on our reputation, we were approached by Panorama some weeks ago to work with them to be part of a documentary on local authority fraud investigation. Filming has taken place with officers in the team; they were particularly interested in ID Fraud and Blue Badge abuse. To ensure that we get the best and most appropriate publicity Officers from the Corporate Communications were present during the filming and have been involved in the discussions with the production team. The programme is expected to air in October 2011.
- 8.4 Members of the team have acted as experts for another well know TV soap, who are were working on a fraud sub-plot.