

# APPENDIX A

## BENEFIT FRAUD RESULTS 2014-15

1. It has once again been an incredibly busy year for the Benefit Fraud Team. A team target was set at 90 sanctions for the last financial year. This was again achieved and in fact exceeded by 26 cases (116) in total.
2. Fraud referrals are received from various sources, including local authority staff, Hampshire Police, Department of Works & Pensions (DWP) data matches and residents of the island. This year was exceptionally high at 515 compared to the previous year of 493. Once again, a strict scoring system is in place to ensure good quality data and intelligence is received.
3. Real Time Information (RTI) was introduced in October 2014. It is a new system to allow Her Majesty's Revenues & Customs (HMRC) to collect 'Pay as you earn' (PAYE) information from employers and pension providers. DWP and HMRC are working together to prevent fraud and error entering the system by matching RTI with the following benefits:
  - Income Support
  - Job Seekers Allowance
  - Housing Benefit
  - Employment Support Allowance
  - Pension Credit
  - Care Allowance

This has created a large number of referrals which has resulted in successful investigations.
4. Overall the investigations have once again been complex and interesting, testing the skills of the investigators. Again, this is a reflection of the current economic climate. The level of performance achieved by the team sends out a message to the Island residents that there is zero tolerance to benefit fraud on the Isle of Wight and we will endeavor to identify and recover any overpaid benefit to limit the burden on the local tax payer.
5. Number of Prosecutions and types of offences
  - Living together as husband and wife (and failing to declare as such) - 6 cases prosecuted
  - Undeclared income - 9 cases prosecuted
  - Undeclared earnings - 13 cases prosecuted

- Non residence - 1 case prosecuted
- Undeclared capital - 1 case prosecuted

Total prosecutions: 30

6. Cases that are not taken forward for a sanction fall into 3 categories:

- Closed no fraud found after investigation: 125
- Closed low score on matrix, not enough intelligence: 181
- Sanction cases 116

Total closed: 422

Ongoing cases taken forward : 93 (still under investigation)

7. The team has also worked with local Housing Associations and has helped to recover a number of properties to the Housing Association through their investigation into the tenants' committing benefit fraud. This is an ongoing working relationship which could potentially be expanded into investigation on behalf of housing associations in the form of a corporate fraud team.
8. The introduction of the Single Fraud Investigation Service is well underway across the country. The date for the transfer of staff to the DWP for Isle of Wight is 1 September 2015. From this date there will be no investigative team in situ for the Isle of Wight Council. Benefit fraud staff will become civil servants and will be housed in DWP locations ie Broadlands House, Newport. The Local Council Tax Support will remain with the Local Authority; however at present there is no resource to investigate potential fraud in this area. A business plan is being looked at for potential corporate fraud which includes the area of Local Council Tax Support.

## RESULTS

9. The Benefit Fraud team has continued its success within the last 12 months. During the last financial year **515** referrals were received (compared to 493 in 2013/14). Of these **334** resulted in formal investigations (371 in 2013/2014,) with a total amount of fraudulent overpayments identified as **£426,989** compared to £680,346 in 2013/2014. The team achieved a total of **30** successful prosecutions, (37 in 2013/2014) **58** administration penalties (39 in 2013/2014) resulting in **£48,975** in administration penalties issued (£30,893 in 2013/2014) and **28** cautions issued compared to 38 cautions in 2013/2014.
10. Included in the identified fraud figure, is the local council tax support. (LCTS) This can be separated as follows:

- Cautions identified fraudulent overpayment for LCTS : £2,273
- Administrative Penalties fraudulent overpayment for LCTS £8,804
- Prosecution fraudulent overpayment for LCTS £4,373

Total fraudulent overpayments for LCTS £15,451

Investigators have a live caseload of between 40 – 45 cases

#### 11. Prosecution Case

A 'living together' case was referred to the benefit fraud team for investigation. From this investigation a property in Spain was discovered which had not been declared. Further enquiries also discovered capital discrepancies which required further probing. From interviewing both individuals under caution an overpayments of £30,098 and £34,162 were identified in overpaid fraudulent benefit. Both were prosecuted and both received six months custodial sentence.

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