

AUDIT PANEL		
Report Title	ANTI FRAUD AND CORRUPTION TEAM (A-FACT) UPDATE	
Key Decision	NO	Item No. 6
Ward	ALL	
Contributors	Head of Corporate Resources A-FACT Group Manager	
Class	Part 1	Date: 17 September 2015

### 1. Purpose of the Report

- 1.1. The purpose of this report is to present the Audit Panel with a review of the work of the Anti-Fraud and Corruption Team (A-FACT) in the last period.

### 2. Recommendations

- 2.1. It is recommended that the Audit Panel note this report for information.

### 3. Special Investigations

- 3.1. Details of work and comparative figures for the same period in the prior year are shown below, along with the previous two full year figures for reference.

Summary of Special Investigations work	2015/16	2014/15	Change		2014/15	2013/14
	P3 YTD	P3 YTD	Number	%	P12 YTD	P12 YTD
b/f	45	30	15	50%	30	41
New	24	26	-2	-8%	97	79
Closed	-32	-9	23	256%	-82	-91
c/f	45	47	-2	-4%	45	30
Of which						
E'ee cases	4	1	3	300%	19	27
- resulting in action	2	1	1	100%	10	16
Other cases	28	8	20	250%	63	64
- resulting in action	5	4	1	25%	31	22

- 3.2. "Other Cases" include applications for support by those who have No Recourse to Public Funds and claims for Direct Payments for Care as well as other non employee related fraud and enquiries to assist other organisations or Boroughs with their investigations. The five cases successfully concluded in the most recent period included:

- An exercise to review the output from the National Fraud Initiative deceased pensioners match. Death certificates were obtained for the five pensioners where it was suspected that they may have passed away. This included one case of a death abroad which involved tracing and visiting next of kin. Overpayments identified totalling £6,261 which have been passed for recovery.
- Review of procedures where a Council employee had been incorrectly named as the keeper of a client's vehicle.

### Employee Related cases

3.3. Of the 32 cases closed in the last three months four concerned employees and two resulted in action. These cases are included in the year to date figures shown below.

3.4.

Analysis of employee fraud	2015/16	2014/15	Change		2014/15	2013/14
	P3 YTD	P3 YTD	Number	%	FY	FY
Dismissed/resigned & Convicted	0	0	0	0%	0	1
Resigned/Dismissed	1	1	0	0%	2	5
Other disciplinary (incl not employed)	0	0	0	0%	1	6
Monies repaid	0	0	0	0%	2	0
Management action incl review of procedures	0	0	0	0%	2	2
Identity issue cleared	1	0	1	100%	2	2
Fraud committed by 3rd party	0	0	0	0%	1	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>10</b>	<b>16</b>

he two cases where action was taken in the last period were:

- Enquiries established that an employee's immigration status had changed since they had been employed and that they no longer had the right to work in the UK. The employee submitted their resignation as soon as they were aware of our enquiries.
- Query on the passport provided by a potential employee. Discrepancies were identified with the visa information, the applicant has been given opportunity to have these formally resolved.

3.5. Two quarters reports to Executive Directors were missed as the reorganisation of the team and work to change case management system were completed. Going forward from July 2015, quarterly reports will continue to be issued to each Executive Director with a summary of all cases being dealt with by Special Investigations in their Directorate. This ensures that the risk of fraud is considered in the context of the demands of the service, priorities are agreed, and progress on investigations communicated.

### Lewisham Homes

3.6. A-FACT continues to undertake investigation work on behalf of Lewisham Homes under a Service Level Agreement which has now been extended for 2015/16. This is just under one full time equivalent member of staff and a proportion of the police officer's time. The outcome of these investigations is reported by Lewisham Homes to their Audit Committee.

### Pre-employment Checks

3.7. A-FACT support Human Resources by undertaking part of the Council's recruitment checks. Each potential employee of the Council is required to complete a pre-employment check focusing on any issues relating to benefits, council tax, rent and

personal business interests which may cast doubt on the individual's integrity or potential conflicts for their work going forward.

Summary of pre-employment checks	2015/16	2014/15	Change		2013/14	2012/13
	P3 YTD	P3 YTD	Number	%	FY	FY
Checks completed	50	56	-6	-11%	274	246
Action taken	4	5	-1	-20%	20	16

3.8. In the four cases where action was required to confirm the declarations made were all subsequently resolved satisfactorily.

#### 4 Benefit Investigations

4.1 The team's responsibility for investigating benefit fraud transferred the DWP on the 1 April 2015 along with three investigators. There is therefore no work to report for this area. However, a duty to identify potential benefit fraud does remain with the Council. This will need to be resolved between the Council's benefits administration team and the DWP investigators and discussions are on going.

#### 5 Housing Investigations

Details of work and comparative figures for the same period in the prior year are shown below, along with the previous two full year figures for reference.

Summary of Housing App Investigations	2015/16	2014/15	Change		2014/15	2013/14
	P3 YTD	P3 YTD	Number	%	FY	FY
b/f	42	39	3	8%	38	76
New	2	8	-6	-75%	46	67
Closed	-11	-17	6	35%	-65	-107
c/f	33	30	3	10%	19	36
Resulting in action	5	15	-10	-67%	42	50

5.1 To date there have been five successful cases, including one lengthy case which was prosecuted jointly by the Royal Borough of Greenwich and Lewisham Council and resulted in a custodial sentence of 28 months. This related to a lady who obtained tenancies by deception from both Greenwich and Lewisham. She subsequently purchased the Lewisham tenancy under the Right to Buy scheme. During the prosecution she tried to sell the purchased property but this was discovered by Lewisham investigators who then arranged for the profits from the sale to be restrained pending confiscation action.

5.2 The remaining four cases were: two cases where additional members of the household had been added to decant applications in an attempt to obtain a bigger property than they were entitled to and two fraudulent applications for housing.

5.3 The Audit Commission have stated that there is a significant value associated with recovering tenancies and preventing fraudulent applicants from being housed. They estimate that the average cost of temporary accommodation for a family for a year is

£18,000. On this basis A-FACT have either recovered and prevented tenancies being wrongly allocated in four cases so far this year, representing a saving of £72,000 plus ensuring that decant applications were for the correct size property.

## 6 DCLG Housing Bid funding

6.1 Since January 2012, grants from the DCLG have funded an investigator based within A-FACT to work with local housing partners to tackle fraud related to social housing.

Summary of DCLG Housing Investigations work	2015/16	2014/15	Change		2014/15	2012/13
	P3	P3	Number	%	FY	FY
b/f	176	33	143	433%	33	9
New	18	117	-99	-85%	269	111
Closed	173	95	-3	82%	-126	-83
c/f	21	55	-34	-62%	176	37
Tenancies recovered	6	8	-2	-25%	38	33
Breakdown by RSL						
L & Q	1	5	-4	-80%	20	19
Pinnacle	3	0	3	0%	10	6
Lewisham Homes	0	1	-1	100%	1	4
Hexagon	1	2	-1	200%	3	2
Family Mosaic	0	0	0	0%	3	1
Ewart Road	0	0	0	0%	1	1
Brockley Co-op	1	0	1	0%	0	0

6.2 In the last period six tenancies were recovered, including a five bedroom house. The other properties are four two bedroom and one three bedroom flats.

6.3 At the start of the new year a thorough review was undertaken and any cases unlikely to be bought to fruition were closed. It has been agreed with a couple of partners that A-FACT will undertake comprehensive checks on applications for some of the more desirable new build schemes in the borough to ensure that only eligible applicants are housed. This has resulted in a further 275 cases being referred which are not yet included in the above figures.

6.4 On the basis of the Audit Commission figures for the value of social housing as detailed in para 5.3. The recovery of six tenancies equates to £108,000.

## 7 Publicity

7.1 The successful prosecution mentioned in 5.1 was the subject of a joint press release from the Royal Borough of Greenwich and the London Borough of Lewisham.

## 8 Fraud Awareness Training

8.1 In this period A-FACT have delivered two Fraud Awareness Sessions to 20 staff in the Referral and Assessment Team in the Children and Young People Directorate.

## 9 Projects

9.1 In late 2014/15 A-FACT were successful in securing one off funding for 15 months for four counter fraud projects. There were in the areas of procurement, training, housing, and no recourse to public funds. Results from this work will be reported in future updates as they come through.

## **10 Metropolitan Police Seconded**

10.1 Detective Constable Norris is on secondment to A-FACT from the Metropolitan Police.

10.2 As Lewisham A-FACT have become more proficient in securing prosecutions, we have started to uncover more sophisticated frauds which require the powers of arrest and search in order to be addressed effectively. The Police Seconded continues to enable the team to deal with cases that we wouldn't otherwise be able to progress.

## **11 Legal Implications**

11.1 There are no legal implications arising directly from this report.

## **12 Financial Implications**

12.1 There are no financial implications arising directly from this report.

## **13 Equalities Implication**

13.1 There are no specific equalities implications arising directly from this report.

## **14 Crime and Disorder Implications**

14.1 There are no crime or disorder implications arising directly from this report

## **15 Environmental Implications**

15.1 There are no specific environmental implications arising directly from this report.

## **16 Background Papers**

16.1 There are no background papers reported.

If there are any queries on this report, please contact

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