

COUNTER FRAUD ACTIVITY 2018/19

The table below shows the level of savings achieved through counter fraud work during the current financial year.

	2018/19 (Actual: 31/8/18)	2018/19 (Target: Full Yr)	2017/18 (Actual: Full Yr)
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£208,025	£200,000	£298,155

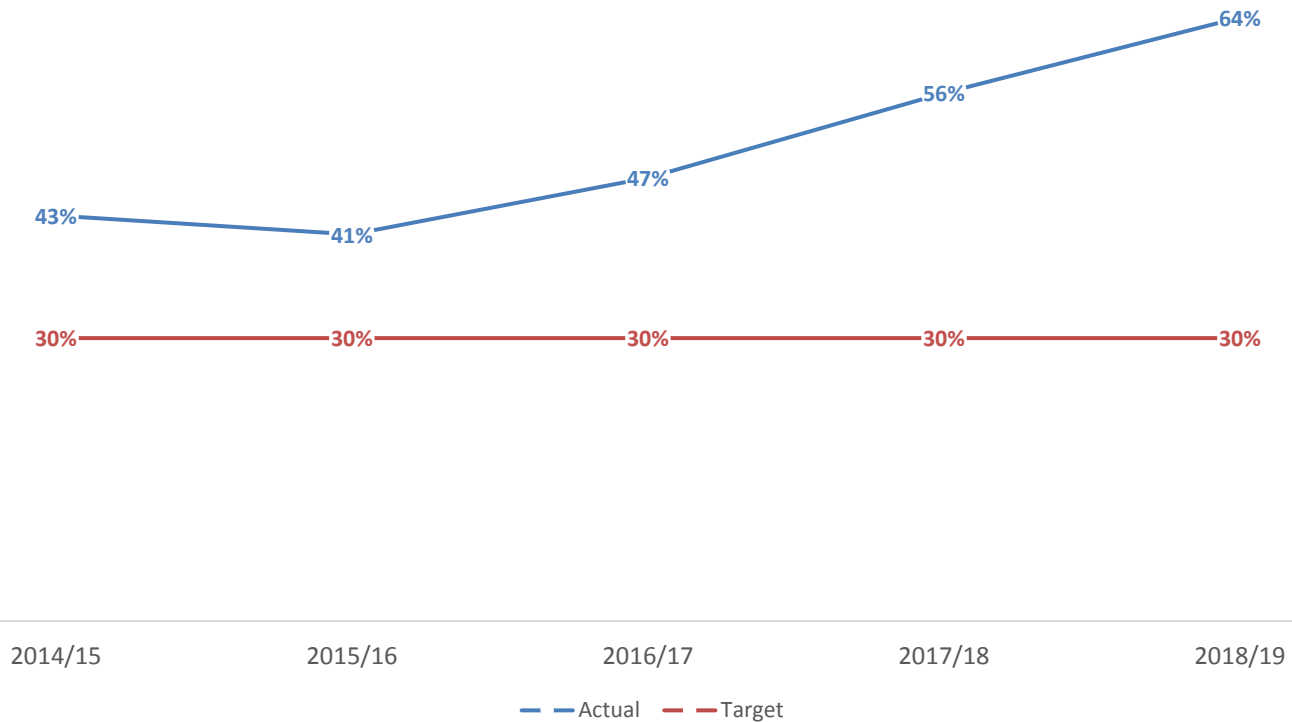
Caseload figures for the period are:

	2018/19 (As at 31/8/18)	2017/18 (Full Year)
Referrals received	104	365
Number of cases under investigation	133	120 ¹
Number of investigations completed	74	209

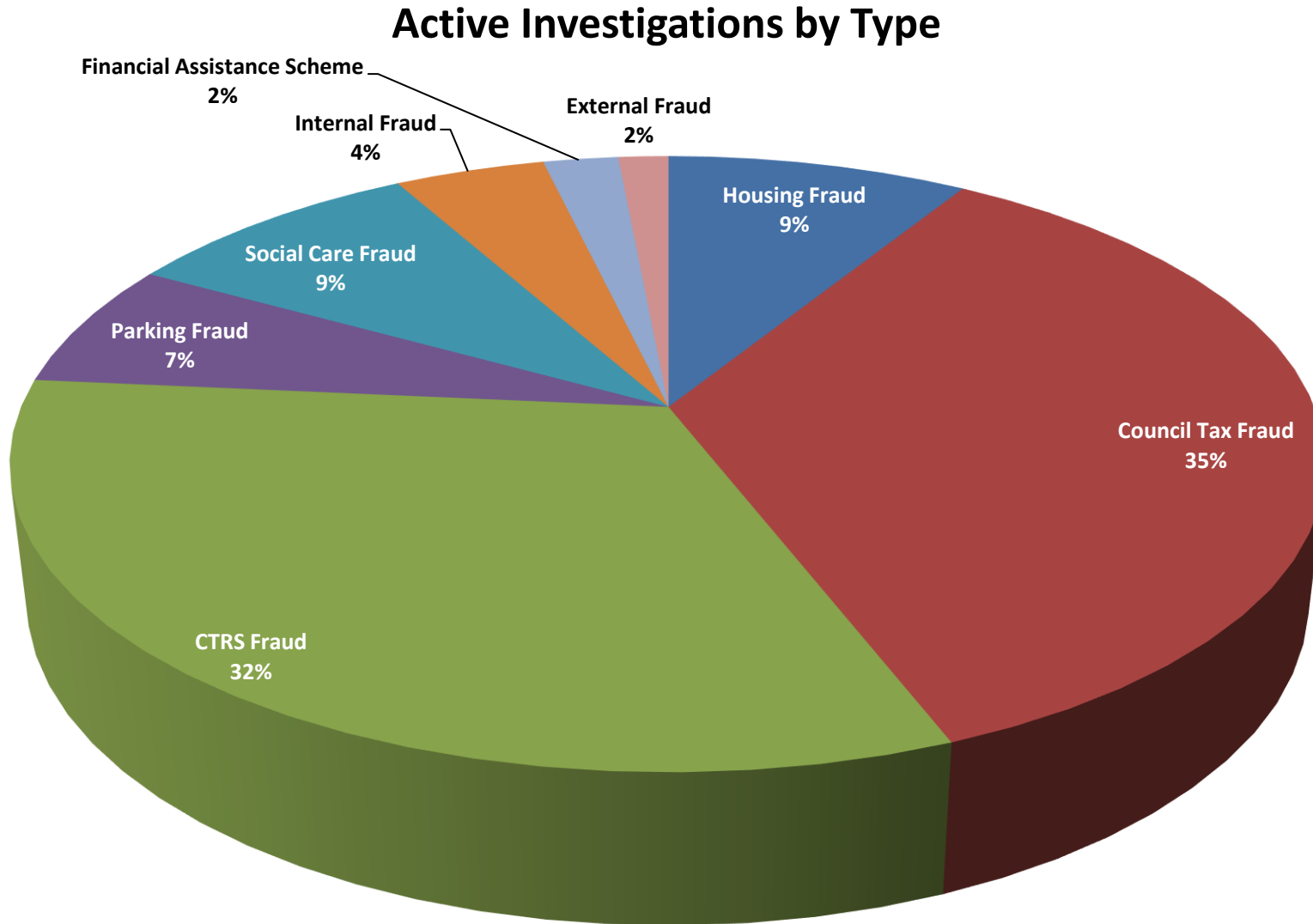
¹ As at 31/3/18

The agreed target for successful outcomes from investigations is 30%. Actual outcomes vary by case type but include, for example, benefits or discounts being stopped or amended, sanctions, prosecutions, properties recovered, housing allocations blocked, or management action taken. The graph below shows percentage success rates over the last 4 years and 2018/19 to date.

SUCCESSFUL INVESTIGATION OUTCOMES



The chart below shows the proportion of different case types under investigation as at 31st August 2018.



Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>The 2018/19 National Fraud Initiative is soon to begin. Preparations to gather data are underway ahead of a submission date in early October.</p> <p>The NFI are running an additional pilot exercise looking at business rate fraud which the council successfully bid for alongside a number of regional partners. Data has been extracted and matches are expected to be returned this month.</p>
Fraud detection and investigation	<p>The service continues to promote the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none"><li data-bbox="376 715 1957 1007">• Social Care fraud – This is a high risk area for the council in terms of financial loss due to fraud. The counter fraud team continue to work alongside council colleagues to prevent, detect and deter fraud in this area. In August a resident of Cambridgeshire was jailed for 15 months for stealing substantial amounts of money from his parents who were in receipt of care from the council. The case was the culmination of work by the counter fraud team, North Yorkshire Police and the Crown Prosecution Service. In the current financial year the team have detected £120k of loss to the council due to social care fraud.<li data-bbox="376 1059 1957 1481">• Council Tax/Non Domestic Rates fraud – Council tax and business rate investigations continue to be an area of focus. The council achieved its first business rates prosecution in April when a business owner produced false documentation in order to fraudulently claim small business rate relief (SBRR). He was sentenced to an 8 month prison sentence suspended for two years. This is believed to be the first SBRR prosecution nationally. In May a landlord who owned three rental properties in York pleaded guilty to falsely obtaining single person discounts at his properties over a 5 year period. He was ordered to undertake 250 hours of community punishment. A further 10 people and 3 businesses have been cautioned, warned, or found to have underpaid council tax or business rates. In 2018/19 the team has identified £52k of loss to the council in this area.

Activity	Work completed or in progress
	<ul style="list-style-type: none"> • Internal fraud - The team has received 6 referrals for possible internal fraud in 2018/19; 6 cases are currently under investigation. • York Financial Assistance Scheme fraud – The fraud team continues to work with council officers and external organisations to deter fraud against this scheme. In the current financial year two people have been prosecuted by the council for falsely applying for white goods they did not require with the intention of selling them at a reduced cost. They were ordered to repay the council over £800 as well as undertaking community punishment. A further 3 people have been cautioned or warned in relation to fraud against the scheme. • Council Tax Support fraud – In 2018/19 the fraud team has completed 11 investigations into potential CTS fraud. One person has been cautioned and 3 people were issued formal warnings. • Housing fraud – Working alongside colleagues in the housing department, the counter fraud team have prevented 3 council homes from being let to applicants who provided false information in housing applications. • Parking fraud – The fraud team work with the parking department to combat blue badge and other types of parking related fraud. The two teams periodically undertake ‘days of action’ together where all blue badges are checked to ensure correct usage. During this financial year one person has been prosecuted for using a child’s blue badge while parking in a disabled parking bay in York city centre. He pleaded guilty and was fined over £500 by magistrates. A further 10 people have been cautioned or issued warnings relating to parking fraud offences. • Education verification – The fraud team works with the schools team to investigate and deter false applications for school placements. No cases have been referred to Veritau to date in 2018/19.

Activity	Work completed or in progress
Fraud liaison	The fraud team acts as a single point of contact for the Department for Work and Pensions and is responsible for providing data to support their housing benefit investigations. The team have dealt with 186 requests on behalf of the council in 2018/19.
Fraud Management	<p>In 2018/19 a range of activity has been undertaken to support the council's counter fraud framework.</p> <ul style="list-style-type: none"> • Raising awareness of fraud is part of the annual work of the team. Awareness sessions have been provided to the business rates team and housing department in the current financial year. • The counter fraud team alerts council departments to emerging local and national threats through a monthly bulletin and specific alerts over the course of the year. <p>We are also pleased to report that the counter fraud team have been named as a finalist in two categories of the Institute of Revenues Rating & Valuation (IRRV) 2018 performance awards – Excellence in Counter Fraud and Excellence in Innovation.</p>