

Uttlesford District Council

Housing Benefit & Council Tax Benefit

Anti-Fraud Policy

PART 1 - Introduction

- 1.1 Uttlesford District Council (The Council) is committed to maximising the award of benefit to those who are entitled to receive it, and assisting in the alleviation of poverty and deprivation (see Benefits Vision Statement and Policy Objectives, approved by the Council in September 2003). Benefit staff, including fraud investigators, have a role to play in ensuring that claimants receive the correct benefit applicable to their circumstances. The Council has to distinguish fraud from the genuine mistakes or misunderstandings made due to the complexities of the schemes.
- 1.2 However, the Council acknowledges that some people will attempt to obtain benefits to which they are not entitled. Where this is the case, the Council will consider the circumstances of the individual and, where appropriate, apply a formal sanction. A copy of the Council's Sanctions Policy is attached as Appendix One.

PART 2 - Staff roles / training

- 2.1 The success of the Council's anti-fraud policy is dependant upon the active involvement and co-operation of all staff within the Council. In particular, Benefits staff are expected to refer all cases where benefit fraud is suspected promptly to the Anti-Fraud Team.
- 2.2 The Anti-Fraud team, which is established and well-trained, embrace all the latest investigation techniques and apply all relevant legislation. The Team is responsible for following up any suspicion or allegation of benefit fraud from many sources including data matching, anonymous sources, staff referrals etc.
- 2.3 The Principal IT & Anti-Fraud Officer oversees the work of the Anti-Fraud Team. This officer formally reviews the caseload of the team on a weekly basis. In addition, key decision stages are built into the investigative process, at which formal approval is required before any further action is taken.
- 2.4 The same expectation is also made of staff who collect evidence on behalf of the Benefits Section; for example housing officers, Council Tax staff and receptionists. Staff should be vigilant when handling documents and ensure that any irregularities are brought to the attention of the Anti-Fraud Team.
- 2.5 It is not acceptable for any member of staff to ignore a potential fraud. To encourage a culture of openness and honesty staff are advised that they can report any concerns in confidence and without fear of reprisal ~ see PPN 61: Confidential Reporting Code.
- 2.6 The Council also actively encourage referrals from the public. All calls are treated in confidence and are dealt with by investigations staff that have been trained to

- elicit the most pertinent information from a caller. The Council provide a freephone telephone service for the public to ring and report their suspicions.
- 2.7 Training - All new staff joining the Benefits Section receive fraud awareness training and are given the opportunity to accompany investigation or verification framework visiting officers on visits to benefit claimants, to gain an insight into what is expected of them.
 - 2.8 Additionally refresher fraud awareness is delivered to all benefits staff annually. Staff working in other areas of the Council who are required to handle documents or deal with benefit customers also receive fraud awareness training or guidance.
 - 2.9 It is vital that Investigation and Visiting Officers undertake appropriate training to guarantee the quality of their work. It is the Council policy that all investigators are qualified to PINs standard. This qualification provides evidence that all investigators are competent to comply with all appropriate legislation e.g. Regulation of Investigatory Powers Act (RIPA), Police and Criminal Evidence Act (PACE), Criminal Procedures and Investigation Act, etc.
 - 2.10 Training requirements for investigators are reviewed annually, as part of the appraisal process, or more frequently following the introduction of new legislation. This ensures that investigation techniques and procedures are kept fully up to date.
 - 2.11 **Integrity** – The Council's expectation is that staff and Members will lead by example in ensuring adherence to rules, procedures and recommended practices. It is a requirement that staff declare any personal or prejudicial interest when dealing with benefit claims. To ensure that they act with impartiality at all times employees should not personally deal with benefit claims submitted by a spouse, partner, relative or friend.
 - 2.12 If a benefit claim or any supporting documents are received as detailed above, the case should immediately be brought to the attention of the employee's supervising officer who should arrange for another officer to deal with the claim.
 - 2.13 Staff should never access any secure systems on behalf of, or to gain information about, anyone, other than as required for the purposes of carrying out their normal duties. Failure to comply with the relevant policies and procedures could render an employee liable to disciplinary action, which may include dismissal.
 - 2.14 It is an unfortunate fact that staff working within the Council sometimes commit fraud. Robust recruitment and selection procedures militate against employing staff that falsify qualifications and experience in order to secure employment. Good practice and procedures on recruitment and selection, as advised by Personnel staff, must be strictly adhered to. Proof of qualifications must always be obtained before a candidate is offered employment.
 - 2.15 Should however, a member of staff be suspected of committing benefit fraud, the Anti-Fraud team will carry out an investigation, in the normal way. The employee's Head of Service and Head of Personnel will be notified promptly of the outcome of any sanctioned action.

- 2.16 **Potentially Violent (PV) action** – Violence, intimidation, threats or abusive behaviour to the Council's employees is unacceptable and will not be tolerated. Incidents of such behaviour will, when circumstances justify, be reported to the Police. Persons who are deemed to be a potential threat to staff will also have their names placed on the Councils Visiting Officer Register in accordance with the laid down procedure. The purpose of the register is to enable managers to devise appropriate strategies to protect staff who may be at risk. These might include:
- (a) Only allowing the potentially violent persons to be interviewed by prior appointment;
 - (b) Only visiting the person/premises by pre-arranged appointment;
 - (c) Ensuring the person/premises are not visited alone;
 - (d) Ensuring the person is not interviewed alone;
 - (e) Only visiting in conjunction with other agencies (e.g. the police).
- 2.17 Before carrying out visits, benefit & investigations staff must check the register.
- 2.18 A number of additional procedures and protocols have been put in place to improve investigation staff safety when making visits. These are set out in the Investigators Procedure Manual, which is issued to all investigations staff. These procedures must be closely adhered to at all times. All Investigation and Benefit Visiting staff receive training in dealing with handling violent and aggressive situations.
- 2.19 **Feedback** - It is important that staff receive feedback on the cases that they have referred to the Anti-Fraud Team to encourage an anti-fraud culture and to motivate staff to make further referrals. Staff should rightly feel gratified when a case that they have referred results in a fraud being stopped or prevented.
- 2.20 At the completion of an investigation, the Anti-Fraud Team, on a case-by-case basis, give feedback to benefits staff on the outcome of investigations. Although the Anti-Fraud Team is bound by confidentiality rules and cannot give the same level of feedback to staff working in other areas of the Council, they do give general feedback on the success rates of their referrals. Details are provided in the Anti-Fraud Team's annual report.
- 2.21 Additionally, quarterly reports are run from the system that identifies who has referred cases. These reports are provided for Heads of Service and Team Leaders so they can monitor staff performance in this area. They are also used to help target fraud awareness training more effectively.
- 2.22 IT security – Housing benefit-related data requires a high degree of confidentiality and security. The Council's detailed policy on IT. security, as contained within PPN 63 IT Acceptable Use Policy (a copy of which is available via the Intranet) should be adhered to at all times. In particular, attention should be paid to password security, use of Council IT equipment, data protection and Incident Reporting.

PART 3 - Prevention / Process

- 3.1 The Council is committed to maximising the award of benefit to those who are entitled to receive it. However there are those who attack the benefits system

and take money from customers in genuine need and consequently, safeguards need to be built into our procedures to prevent fraud entering the benefits system. The Council does this in many ways:-

- (a) Verification Framework - The Council has fully implemented the national Verification Framework (VF) from the 1st August 2003. This secures the gateway to the system by carrying out more comprehensive cross-checking at new and renewal claim stage and introduces a pro-active in-year visiting programme linked to a formal risk analysis of cases.
- (b) Royal Mail do-not-redirect / Internal data matching - The Anti-Fraud team uses all data matching opportunities such as the Department of Works & Pensions (DWP) Housing Benefit Matching Service, the National Fraud Initiative operated by the Audit Commission and the Royal Mail do-not-redirect service. The team also carry out ad hoc data matching, both with approved organisations and through cross matching of our in-house benefit system with known risk groups, such as taxi drivers.
- (c) Controls / audit's role – The work of both the Revenues Section and the Anti-Fraud Team are subject to regular, independent review by both Internal Audit and the District Auditor.
- (d) Remote Access Terminals (RATs) – The Council uses RATs terminals, which link to the DWP computer systems to check claims and prevent fraud. Tight controls exist over the use of these terminals, which are overseen by two named officers within the Council. The Anti-Fraud Team has direct links to the Land Registry to enable checks on land and property ownership to be carried out.
- (e) Service level agreements (SLAs) – The Anti-Fraud team work closely with other organisations including the DWP, the Police and the Rent Officer Service, comparing and sharing information to prevent fraud. Formal Service Level Agreements are in place with the main external agencies and regular liaison meetings are held to monitor the effectiveness of the agreements. The team also work closely with other local authorities sharing best practice. The team are also members of the Local Authorities Investigation Officers Group and sit on the committee of the Essex Investigations Group.
- (f) Hotlines - Members of the public are encouraged to report concerns they may have to the Anti-Fraud Team. To encourage referrals from the public a free-phone Hotline is provided. This is advertised in a number of ways, including through press releases, advertisements in newspapers etc, on Council Tax leaflets etc.
- (g) Joint investigations – The Anti-Fraud team carry out joint investigations with the DWP Counter Fraud Investigation Service and have reciprocal arrangements in place to recover overpayments.

PART 4 - Detection

- 4.1. Upon receipt of a report of a suspected housing benefit fraud, whether from a member of the staff or the public, the Investigating Officer will:-

- (a) Deal promptly with the matter.
 - (b) Record all evidence received.
 - (c) Ensure that evidence is sound and adequately supported and secure.
 - (d) Liaise with other agencies and departments e.g. Department for Work and Pensions Counter Fraud Investigation Service, Internal Audit where appropriate, Police, other departments of the Council and other Local Authorities.
 - (e) Arrange for the claimant's entitlement to be independently re-assessed by the Revenue Section, on the basis of new information gathered by the investigations staff.
 - (f) Consider, in light of the evidence, which type of sanction, if any, should be applied (see Part 5 below).
- 4.2 All investigations are carried out in accordance with the provisions of PACE, RIPA, Human Rights Act and other relevant legislation / best practice policy in operation at the time.

Part 5 - Sanctions

- 5.1 The Anti-Fraud Team has undertaken prosecutions for the most serious cases of benefit fraud since 1997. From 2001 the range of sanctions available was extended to include formal local authority cautions and administrative penalties.
- 5.2 The choice of sanction applied to any particular fraud depends upon a number of factors. Further details are contained within the Sanctions Policy, attached as Appendix One.
- 5.3 Where appropriate, the Council carry out joint prosecutions and sanctions with the DWP Counter Fraud Investigation Service and have arrangements in place to recover overpayments.
- 5.4 In addition to the application of a formal sanction, it is the Council's policy to actively recover all instances of fraudulently obtained housing benefit. Where necessary, such overpayments will be pursued through the civil courts.

PART 6 - Deterrents

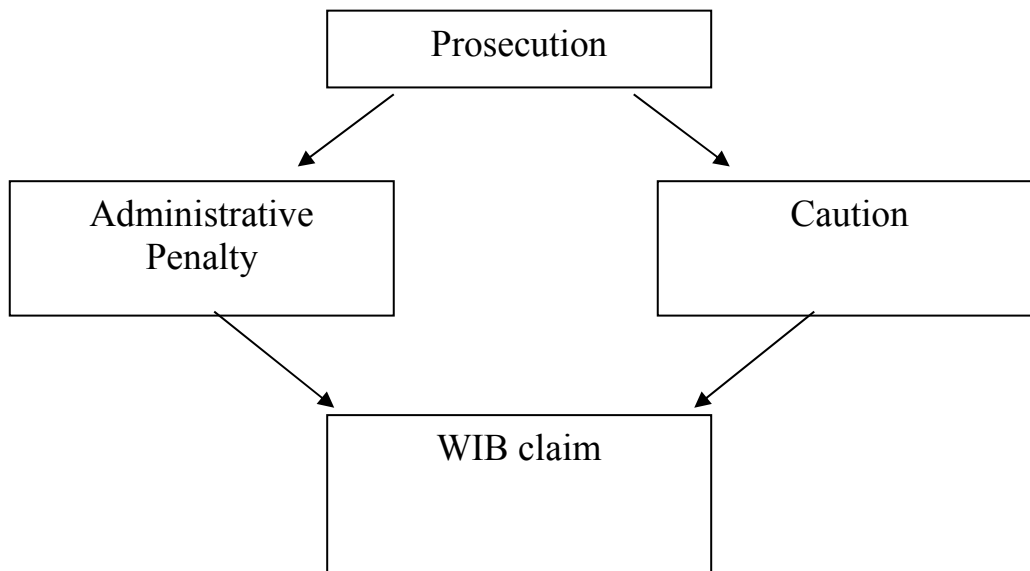
- 6.1 Press releases are issued for all successful prosecutions, in order to publicise benefit fraud cases, as a deterrent to those who seek to de-fraud the Council. The Council also publicises its work through newspaper articles, advertisements on Council Tax literature etc and posters placed in public buildings.
- 6.2 The Council website (www.uttlesford.gov.uk) gives details of the work of the Anti-Fraud Team, including information about the type of frauds dealt with by the Council. The website contains a form to enable the public to report suspicions of fraud.

Appendix One

Uttlesford District Council

Sanctions Policy

1. Where a benefit claimant obtains, or attempts to obtain, benefit to which they are not legally entitled, the Council will apply one of the formal sanctions available to it under the Social Security Administration (Fraud) Act 1997.
2. The Council operates the following “top down” method of determining the appropriate sanction:



Prosecution

3. All cases should be considered as potential prosecutions. Examples of cases suitable for prosecution would include those where:
 - (a) The claim has been prepared with the sole purpose of obtaining benefit by deception.
 - (b) The fraud has been going on for a long period of time.
 - (c) A review has been completed and the claimant has failed to advise the Council of changes in circumstances.
 - (d) The claimant is a repeat offender.
 - (e) A previous signed statement indicating no changes is proved to be a lie.
 - (f) The overpayment exceeds £1,000.
4. Consideration should be given to any mitigating facts. These may include:
 - (a) Severe debt.
 - (b) Mental illness.
 - (c) Death of a close family member.
 - (d) The wider public interest.

- 5 Whilst mitigating circumstances can influence the sanction applied, more normally the court will be able to take them into account when deciding sentencing. Therefore a potential prosecution should not be stopped solely on the grounds of a mitigating circumstance. If there is any doubt as to the suitability of a case for prosecution the final decision should be made by the Principal IT & Audit Officer in consultation with the Council's legal services.
- 6 Any cases where the overpayment is above £1,000 and no prosecution is undertaken must be fully documented with appropriate reasons for not prosecuting.
- 7 All successful prosecutions must be publicised. This would involve:
 - (a) Faxed press release to the local newspapers.
 - (b) Letter to Member(s) representing the Parish of the offender informing them of the prosecution.
 - (c) If appropriate, faxed press release to other newspapers/magazines to target specific groups e.g. dog magazines for convicted dog breeders.

Administrative Penalty

- 8 Where it is deemed that a case is not suitable for prosecution, consideration should be given to administering a fixed 30% penalty, based on the overpayment figure.
- 9 However, before an Administrative Penalty can be considered there should be sufficient evidence to enable a prosecution to take place, should the person refuse to accept the penalty.

Caution

- 10 Where it is deemed that a case is not suitable for prosecution and the claimant's financial circumstances render an Administrative Penalty inappropriate, consideration should be given to the issue of a formal Caution. However, before a Caution can be considered there must be sufficient evidence to enable a prosecution to take place, should the person refuse to accept the caution.

Weekly In-Benefit Savings (WIBS)

- 11 Where none of the above sanctions are applicable, the Council will still seek recovery of any overpayment. In addition, a claim will be made for WIBS subsidy, an additional sum payable to the Council as part of the benefit subsidy system. In order for the WIBS claim to be classified as fraud, intent must be demonstrated.
- 12 It is the Council's opinion that any or all of the following actions of a claimant can demonstrate intent:
 - (a) Failing to declare a change of circumstances despite a reasonable period of time having elapsed.
 - (b) Submitting review forms and failing to declare the change.
 - (c) Signing a statement notifying the Council of no changes, which subsequently turns out to be a lie.

(d) Previously notifying the Council of a different change in circumstances

This list is not definitive but merely an indication of what is expected. It is the responsibility of the investigator to justify, in each case, the recording of a fraud WIB.

Recording of Sanctions and WIBS

- 13 Whichever sanction is chosen the rules for recording and reporting, in force at that time, must be followed in full. Failure to comply with legislation may result in the sanction rewards being withdrawn.

Last Reviewed: November 2003