

LONDON BOROUGH OF ISLINGTON

COUNTER-FRAUD STRATEGY

HOUSING & COUNCIL TAX BENEFIT

1. INTRODUCTION

- 1.1 The Department for Work and Pensions estimate that around £2 billion in benefits is paid out nationally each year as a result of fraudulent claims, including Housing and Council Tax Benefit claims administered by local authorities.
- 1.2 Islington's Corporate Anti-fraud and Corruption Strategy (last updated in 2008) outlines the Council's efforts to minimise fraud in order to ensure that all available funds can be used to provide a better service for customers.
- 1.3 In order to achieve this within The Service, the Council employs teams of professionally trained fraud investigators and visiting officers.
- 1.4 This document describes Islington's strategy to minimise benefit fraud in order to help ensure that benefits are paid correctly – i.e. only to those persons who are entitled to receive them.
- 1.5 The key aims of the Benefit Security Unit can be summarised as follows:-

“To maintain and protect Islington Council's financial integrity through the provision of a professional and effective Benefits Investigation service”.
- 1.6 Each year, to ensure that Service aims are met, the Security Unit work to a business plan which has been agreed by the Divisional Management Team and forms part of the overall service plan for Finance Operations.
- 1.7 Each of the objectives within unit plan for the Security Unit are linked to at least one of the Audit Commission's Key Lines of Enquiry.
- 1.8 To ensure that the public have the confidence that Islington Council are protecting the public purse, the Benefit Security Unit in 2009/2010, will identify at least £500,000 in overpayments resulting from fraud investigation. Prosecute at least 25 people for benefit fraud and obtain 95 other sanctions.
- 1.9 This document replaces all previous versions of The Service's Counter-Fraud Strategy (first issued in 2001). It is envisaged that this document

will continue to evolve over time to include details of new Counter-fraud initiatives undertaken by the Benefits Security Unit.

2. STAFF RESPONSIBILITIES

- 2.1 The following sections of this document apply equally to all officers employed within the Council's Benefits Service, regardless of grade and whether they are employed as permanent or temporary members of the team, or on a consultancy basis.

3. FRAUD AWARENESS TRAINING

- 3.1 All new members of staff who join the Benefits Service must attend fraud awareness training. This is delivered by a specialist Training Officer from within the Benefits Security Unit. Refresher training sessions are also provided where appropriate. Details of fraud training packages and other information on Benefit Fraud can be found on the Council's intranet site.
- 3.2 Our strategy is to utilise on-line training whenever possible. An on line Fraud Awareness training package has been developed and can be undertaken through application on "My Learning," on the Council's intranet site.
- 3.3 Guidance for staff on recognising potential I/D fraud is also available on-line, in a format that cannot be copied for additional security.
- 3.4 In addition, training is provided to staff based at the Council's Area Housing Offices and to other staff in key areas. Training is also extended to Registered Social Landlords.
- 3.5 As well as raising awareness of fraud-related issues and trends, the training helps maintain a high standard of referrals to the Investigation Team, and ensures that staff are aware of their responsibilities under this strategy.

4 REFERRING CASES OF SUSPECTED FRAUD

- 4.1 Where staff who are involved in assessing claims, identify an irregularity or potential fraud, they must refer the case to the Benefit Security Unit.
- 4.2 The referral should ideally be made on a standard form, which is shown as Appendix 1. A copy of the form is also available to print or download from the Council's Intranet site by following the links through: [Service Areas/Finance/Housing Benefits/Benefit Fraud/Reporting a Benefit Fraud](#).

The referral form can be accessed via the Council's website at the following location:-

<http://www.islington.gov.uk/Housing/CouncilTaxAndHousingBenefits/Fraud/1538.asp>

Referrals will be accepted in other formats, but it is preferred that fraud referrals are sent by e-mail to benefitfraud@islington.gov.uk Other medium for referral is acceptable provided that sufficient information is included.

4.3 Members of the public can report a fraud in a variety of ways:-

i) By calling the Freephone Fraud Hotline on 0800-073-1449.

Calls are answered during office hours by one of the trained investigation staff and callers are not required to identify themselves. An answer phone is in operation outside of normal office hours.

ii) By completing, anonymously, an on-line referral form.

The form is accessed via the Council's internet site at the following location:-

<http://www.islington.gov.uk/Housing/CouncilTaxAndHousingBenefits/Fraud/1538.asp>

iii) By sending an email to benefitfraud@islington.gov.uk.

4.4 All referrals that are received by the Benefit Security Unit are risk-assessed to determine whether or not the case will be accepted for investigation, based on the likelihood of obtaining a prosecution or alternative sanction.

4.5 Each referral is subject to a risk based assessment process that ensures that there are no equality or diversity breaches in terms of which referrals are taken on for investigation.

4.6 Members of staff will be notified whether or not their referral has been accepted for a full investigation to be carried out. If the team is not able to accept the case for any reason, a full explanation will be provided to the staff member who referred the case.

4.7 The quality and type of referrals will be monitored to identify fraud trends and any necessary changes will be incorporated into the Fraud Awareness sessions.

5 STAFF INTEGRITY

5.1 Islington's Code of Conduct for Employees sets down the Council's expectation that employees "must not conduct their personal finances in a way which results in Islington Council, or another public body, being defrauded (this includes claiming Housing Benefit to which they are not entitled; failing to register for Council Tax; occupying property unlawfully)".

5.2 The Service has issued guidance to staff who may potentially be involved in the processing of their own claims or those made by a relative. Staff are also required to declare their interest if they are a landlord of a property in the borough.

5.3 The Islington Council Code of Conduct states:

Employees must:

- inform their Director/Head of Service of any financial and non financial interest they may have, if they think that it might bring about some conflict with their work.

Employees graded P03 or above must:

- complete a declaration of pecuniary and personal interests (available from PSUs/HR Operations) for inclusion in public registers kept by the Chief Executive in respect of managers who report directly to her/him, or Directors/Heads of Service in respect of other staff
- notify any changes within 28 days.

6 DETECTING FRAUD

6.1 The Council employs a team of professionally trained officers to investigate the cases of suspected benefit fraud.

6.2 Investigators have their own Code of Conduct, which reiterates the high professional standards expected of them during the course of their duties and ensures that they operate within the confines of the Human Rights Act and Data Protection legislation.

6.3 To compliment the referral process, the team is involved in a variety of pro-active initiatives designed to identify fraudulent claims.

6.4 In addition, the team participates in a number of national schemes to help target resources, as follows :-

6.5 Verification of claim information

Procedures operated by the Service mean that before a claim is paid, customers are required to provide sufficient evidence of their identity and National Insurance Number in accordance with Sections 1(1A) and 1(1B) of the Social Security Administration Act 1992.

In addition, The Benefit Service directs resources into checking higher risk claims to identify any 'in-claim' changes of circumstances through a planned program of home visits, postal, and telephone contact to help ensure that the right benefit is paid to the right person at the right time. Mobile wireless technology is used to ensure that changes in circumstances are processed quickly and efficiently while in the customer's home.

6.6 Data Matching Initiatives

The team participates in the DWP's Housing Benefit Matching Service scheme, whereby data is matched on a monthly basis to identify cases where customers have not declared a change in their state benefits that would affect their Housing Benefit and Council Tax Benefit claim.

The National Fraud Initiative, which is run every 2 years by the Audit Commission, matches the Council's Housing Benefit data against payroll, pension, student support and Home Office data submitted by local authorities and other public organisations throughout the country in order to highlight potentially fraudulent claims.

6.7 The Royal Mail's 'Do Not Redirect' scheme

Housing Benefit cheques are now sent out in easily identified envelopes marked 'Do Not Redirect'. If the customer has asked the Post Office to redirect his or her mail for any reason, the benefit cheque will not be forwarded to the new address but will be referred back to the authority to allow the team to investigate.

6.8 There is close liaison with a variety of internal and external partners, including those listed below:-

Internal Partners

The team works closely with the Housing Investigations Team (part of Homes for Islington), who look into fraud and irregularities concerning tenancy issues.

Where it is suspected that an employee of the authority has made a fraudulent claim for benefits, this is referred to specialist investigation staff working within the Council's Internal Audit team.

The team also works closely with the Council's Legal Services team when a decision has been made to prosecute an offender.

Closer links have also been established with the Community Safety Partnership which includes the Police.

External Partners

The team participates in joint-working initiatives undertaken with the Department for Work and Pensions, to encourage a 'joined-up' approach to combat benefit fraud.

We will continue to prosecute Department of Work and Pensions administered benefits in joint-working cases after legislation contained in the Welfare Reform Act 2008 allowed the Council to do this.

In addition, the team works with the Police to prosecute offenders in more serious cases that involve larger scale organised fraud or cases involving multiple identities, and is developing links with the Serious Organised Crime Agency, who are responsible for recovering property and assets from convicted fraudsters using their powers under the Proceeds of Crime Act 2002.

The Council is also represented on the DWP's Joint Fraud Forum and is a member of the National Anti-Fraud Network, the Local Authority Investigation Officers' Group and the London Boroughs Fraud Investigation Group.

6.9 Internal Audit:

The Council's Internal Audit team regularly scrutinise the processes and procedures in place within the Service in order to test the integrity and security of the Council's systems and help minimise the risk of internal and external fraud.

At the conclusion of each review, Internal Audit issues a detailed report to the Senior Management Team highlighting any areas that need to be strengthened.

The Benefit Security Unit will investigate all matters relating to Benefit Fraud. This includes cases which involve Council employees. The Benefit Security Unit will notify Internal Audit of all cases, where an employee is subject to an investigation at the earliest opportunity. The unit will also notify Internal Audit of the outcome of the investigation.

Where employees are in a position of responsibility or elected members are involved, the Security Unit will ensure that Internal Audit are regularly updated as to progress and may call on Internal Audit for assistance in obtaining information from relevant Council Departments.

The Benefit Security Unit will notify Internal Audit of all instances where fraud or attempted fraud has been identified within the Service.

7. DETERRING FRAUD

7.1 Prosecution and Sanctions

Where evidence of an offence exists, the Council will always consider instigating prosecution proceedings against individuals who have committed benefit fraud.

However, under certain circumstances the Council will consider an alternative sanction; either an Administrative Penalty or Local Authority Caution.

Administrative Penalty:-

As an alternative to prosecution, the customer agrees to repay in full the overpayment of benefit that arose as the result of the fraud plus an additional 30% by way of a penalty;

Local Authority Caution or Simple Caution:-

As part of this process, the customer acknowledges that they have committed an offence. Details of this admission are kept on record and will be called upon in the event that the customer makes a subsequent benefit claim that is also deemed to be fraudulent. This option is generally applied in less serious cases.

For a more detailed explanation of each type of sanction and a description of the circumstances when these will be applied, please refer to the Council's Prosecution and Sanctions Policy.

A copy of the policy is available on the Council's Internet site at the following location:-

<http://www.islington.gov.uk/Housing/CouncilTaxAndHousingBenefits/Fraud/>

7.2 Publicity

Where the Council has successfully prosecuted a customer for benefit fraud, the team will seek to publicise the conviction through local press in conjunction with the Council's Press Office.

Internal publicity is through the Benefit Security internal publication "Benefit Fraud News". This is published at least 4 times a year and circulated to Key Staff within the organisation and placed on the intranet at: [Finance/Housing Benefits/Benefit Fraud/Benefit Fraud Newsletter](#).