

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 As part of the Council's Corporate Anti-Fraud Strategy (issued in February 2000), the Council made a commitment to do "all it reasonably can" to protect the public funds that it handles on behalf of the residents of Islington and Central Government.
- 1.3 In order to achieve this within the Benefits Service, the Council employs a team of professionally trained fraud investigators and intervention 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 Investigations Section 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 This document replaces previous Benefits Counter-Fraud Strategy issued in 2001. It is envisaged that this document will continue to evolve over time to include details of new anti-fraud initiatives undertaken by the Benefits Investigation Team.

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 Investigation Team. Refresher training sessions are also provided where appropriate.

- 3.2 In addition, training is provided to staff based at the Council's Area Housing Offices and to other staff in key areas.
- 3.3 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 involved in assessing claims identify an irregularity or potential fraud, they must refer the case to the Benefit Investigation Team.
- 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 \ Housing \ Policies & Procedures \ Housing Benefits.

The form is also on the Council's website at the following location :-

[http://\(internet - TBA\)](http://(internet - TBA))

Referrals will be accepted in other formats (such as e-mail) provided that sufficient information is included.

- 4.3 If a member of the public wishes to report a fraud, they should be referred to the Council's Freephone Fraud Hotline number, 0800-073-1449. These calls will be 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.
- 4.4 All referrals that are received by the Benefit Investigations Team 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 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.
- 4.6 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 In addition, all staff employed within the Benefits Service are subject to pre-employment checks encompassing any claims for benefit they may have made and confirming that they have registered correctly for Council Tax, if applicable.
- 5.3 The Benefits 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.

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 The Verification Framework

With effect from March 2004, the Council has undertaken to implement the Verification Framework. This is a national standard of claim verification and involves the targeting of high-risk claims in order to identify any 'in-claim' changes of circumstances through a planned program of visiting and postal or telephone interventions.

- 6.6 Data Matching Initiatives

The team participates in the DWP's Housing Benefit Matching Service scheme, designed to identify through data matching cases where customers have not declared a change in their state benefits that would affect their Housing 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 Council's Housing Investigations Team, 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 work closely with the Council's Legal Services team when a decision has been made to prosecute an offender.

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.

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.

The Council is also represented on the DWP's joint operational board and works closely with the London Team Against Fraud.

6.9 Internal Audit

The Council's Internal Audit team regularly scrutinise the processes and procedures in place within the Benefits 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 issue a detailed report to the Benefits Senior Management Team highlighting any areas that need to be strengthened.

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 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 :-

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 Intranet and Internet sites at the following locations:-

[http://\(Intranet – TBA\)](http://(Intranet – TBA))

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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.