

Interim Counter Fraud Report



1 Introduction

The purpose of this report is to provide the Audit and Risk Assurance Committee with an interim update on the counter-fraud activities undertaken by the Counter Fraud Unit (CFU) within Audit Services following the last Audit Committee in August 2017.

The council is committed to creating and maintaining an environment where fraud, corruption and bribery will not be tolerated. This message is made clear within the council's Anti-Fraud and Corruption Policy, which states:

'The council operates a zero tolerance on fraud, corruption and bribery whereby all instances will be investigated and the perpetrator(s) will be dealt with in accordance with established policies. Action will be taken to recover all monies stolen from the council.'

2 Counter Fraud Unit (CFU)

CFU continues to develop and lead in raising fraud awareness across the council and in promoting an anti-fraud culture. The team carries out both pro-active and re-active work, investigations into areas of suspected or reported fraudulent activity and organises a series of council wide pro-active fraud activities, including the targeted testing of areas open to the potential of fraudulent activity.

3 Counter Fraud Update

New Homes Bonus

The New Homes Bonus scheme is a government program which looks to incentivise local authorities into building new properties and identify properties which have been empty long-term (6 months+) and since brought back into use. In order to maximise funding a joint work program has been undertaken between the Counter Fraud Unit, Revenues & Benefits and Private Sector Housing.

Following an initial data match in excess of 1,000 properties were identified. Data matching and cross referencing reduced this number to 455 which required visits. The Counter Fraud Unit carried out 99 of these visits from which 25 were confirmed as being occupied. Any properties identified as being occupied will secure additional government funding in addition to normal Council Tax collections.

While carrying out the work the Counter Fraud Unit identified a building which had seven accommodation units not previously registered for Council Tax. Valuations are to be undertaken, but based on rateable values it is estimated this will be an additional annual figure of £6,800 in Council Tax.

Multi Agency Operation

In line with the Counter Fraud Unit's pro-active work a member of the team joined a Multi-Agency Road Safety Operation (MARSO) carried out on Oldbury in September.

37 vehicles were intercepted by officers of Roads Policing and Motorway Patrol. Various issues were found with a high percentage of the drivers and vehicles. Arrests were made for disqualified driving and immigration breaches. There was also six vehicles with no insurance and twelve road safety issues, including not wearing a seatbelt and using a mobile phone.

As a result of the information gathered, the Counter Fraud Unit has commenced three investigations relating to benefits or Council Tax discounts.

Case Result

A Sandwell tenant who acquired a council property by supplying false information on his housing application form has been prosecuted. The property has been recovered and since brought back into use. The former tenant received a 9 week prison sentence.

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JAILED: Man deliberately mislead officials to get council house

By [Clare Butler](#) | [Crime](#) | Published: Sep 20, 2017 | Last Updated: Sep 21, 2017

A man has been jailed for deliberately misleading housing officers so he could get a council house.

9 SHARES  0  2 

The full article: <http://bit.ly/2wZ84uo>

National Fraud Initiative - New Housing pilot data match

The Counter Fraud Unit have been approached by the Cabinet Office to be part of a new data match pilot looking to identify high risk tenancy fraud cases and subletting. Different to other data matches produced by NFI the pilot looks to match several sources of data to produce one match. It is hoped this will produce more reliable matches, meaning less manual filtering and a reduction in the amount of resources required to substantiate a positive match.

Government Counter Fraud Awards

The awards are hosted by the CIPFA Counter Fraud Centre, the National Crime Agency (NCA) and the Cabinet Office. They recognise and celebrate the work being done to protect public funds in the UK. Sandwell's Counter Fraud Unit were shortlisted in the Government Counter Fraud Team of the Year category. Unfortunately we were not winners, the award went to the Government's Internal Audit Agency. However the shortlisting status is an acknowledgement of the team's success and progress.

Anti-Money Laundering

The Counter Fraud team continue to work with Legal Services in order to ensure that the council’s Anti-Money Laundering Policy and procedures remains up-to-date and reflect best practice. Following the introduction of the Money Laundering Regulations 2017 a new policy, procedures and training are being created to ensure the council remain compliant.

Case Result

The manager of a healthcare provider based in Sandwell was prosecuted for using an organisational blue badge while shopping in Oxford. She received a conditional discharge and was ordered to pay costs of £1,121.60.

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Sandwell care manager prosecuted for misuse of blue badge

By David Cosgrove | Sandwell | News | Published: Sep 5, 2017

A healthcare manager has been prosecuted after using a blue badge on her own 4x4 when she went shopping.

The full article: <http://bit.ly/2xTKuhU>

Fraud Awareness

Throughout the year staff within the Unit will undertake a range of pro-active exercises aimed at raising fraud awareness and identifying possible fraud. As part of our rolling program Lovell’s staff, who are carrying out refurbishment work in three council tower blocks, were given tenancy fraud awareness training on 4 October 2017 in order to ensure they know the signs of tenancy fraud and know how to report it.

Council House Crackdown

Filming for the BBC One TV series Council House Crackdown took place in spring of this year. Investigations conducted by the Counter Fraud Unit featured in six of the ten episodes when series three was aired during the daytime, beginning on 4 September 2017.

Following it being initially aired, the TV company responsible for filming has since been in contact with the Counter Fraud Unit to advise the BBC want the program to be edited for a primetime slot. The new episodes began on 12 October.

