

# AUDIT COMMITTEE

28 JUNE 2007

## OUTCOMES OF HOUSING BENEFIT COUNTER FRAUD INVESTIGATIONS

Report from: Internal Audit

Author: Richard Humphrey, Audit Services Manager

### 1 Summary

- 1.1 To inform Members of progress in investigating allegations of housing and council tax benefit fraud during the period February to March 2007.

### 2 Decision issues

- 2.1 Following the Council's decision to establish this committee, it is within the remit of this committee to take decisions regarding accounts and audit issues.

### 3 Background

- 3.1 Medway Council has had a sanction policy since 2002 following changes to the way benefit investigations should be conducted. These changes resulted in a more rigorous investigative standard being adopted which lead to specific outcomes, known as sanctions. Namely, that local authorities should consider the use of one of the following courses of action following a successful investigation:-

- Prosecution
- Issue of a caution
- Issue of an administrative penalty (fine).

### 4 Outcome of Benefit Investigations

- 4.1 In the 2006/07 financial year, the investigations team has identified £406,487 of fraudulent overpayments of Housing and Council Tax Benefit. This has led to 24 successful prosecutions, and the issue of 49 cautions and 2 administrative penalties.
- 4.2 Since the last report, investigations have resulted in the issue of twelve sanctions (Annex A).

## **5 Financial implications**

5.1 There are no financial implications arising from this report.

## **6 Legal implications**

6.1 There are no legal implications arising from this report.

## **7 Recommendations**

7.1 Members to note progress in investigating benefit fraud in accordance with the approved sanction policy.

## **8 Background papers**

8.1 None.

### **Lead officer contact**

Richard Humphrey, Audit Services Manager

Telephone: 01634 332355

Email: [richard.humphrey@medway.gov.uk](mailto:richard.humphrey@medway.gov.uk)

Prosecutions completed February – March 2007							
Investigation Case number/HB Reference	Fraud Type	Fraudulent overpayment £	Court	Court sentence and date	Overpayment o/s as at court sentencing date £	Current Overpayment outstanding £	Comment
8636	Non declaration of partner	7,039	Medway Magistrates' Court	80 hours community service + £150 costs 22/02/07	6,703	6,651	Debt passed to external company for collection. Arrangement made for monthly payments of £50.00
8933	Non disclosure of changes to household composition	1,886	Medway Magistrates' Court	12 conditional sentence + £50 costs 05/02/07	1,873	1,833	Debt passed to external company for collection. Arrangement made for monthly payments of £20.00
9141	Non declaration of earnings	1,036	Medway Magistrates' Court	£500 fine + £150 costs 04/01/07	1,641	1,641	No longer in receipt of HB but is still receiving income support. Request sent to DWP for deductions to be made from IS payments.

**Cautions, Administrative Penalty Issued  
September 2006 – January 2007**

<b>Case Number</b>	<b>Fraud Type</b>	<b>Overpayment £</b>	<b>Comment</b>
8685	Non disclosure of partner's earnings	1,700	Claimant cautioned – see also 9646 below
9646	Non disclosure of earnings	Nil	Partner cautioned
9267	Non disclosure of non-dependants	1,167	Claimant cautioned
9303	Non disclosure of non-dependants earnings	377	Claimant cautioned
9425	Non disclosure of non-dependant	335	Claimant cautioned
9467	Non disclosure of benefits	167	Claimant cautioned
9469	Non disclosure of benefits	366	Claimant cautioned
9555	Non disclosure of partner's earnings	1,322	Claimant cautioned – see also 9665 below
9665	Non disclosure of earnings	Nil	Partner cautioned