

# Corporate Anti-Fraud Team (CAFT) Annual Report 2017/18

The purpose of this annual report is to provide a summary on the outcome of all CAFT work undertaken during 2017-18 including CAFT progress and outcomes set against the objectives as set out in our annual strategy and work plan.

All CAFT work is conducted within the appropriate legislation and through the powers and responsibilities as set out within the financial regulations section of the Council's constitution. CAFT supports the Chief Finance Officer (and Section 151) Officer in fulfilling their statutory obligation under section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption. It supports the Council's commitment to a zero-tolerance approach to fraud, corruption, bribery and other irregularity including any Money Laundering activity.

Blue Badge Fraud and Misuse featured heavily within the CAFT programme in 2017-18. As such officer resource was increased to combat what has proved to be an area of increasing fraud. The results of these activities are recorded within the performance indicators section of this report.

CAFT have continued to offer 'Simple Cautions' as an alternative sanction in accordance with our Fraud, Bribery and Corruption Policy.

A 'Simple Caution' is an alternative sanction to prosecution with the following aims:

- To offer a proportionate response to low-level offending where the offender has admitted the offence;
- To deliver swift, simple and effective justice that carries a deterrent effect;
- To record an individual's criminal conduct and can form part of the defendant's criminal record for possible reference in future criminal proceedings or other similar checks;
- To reduce the likelihood of re-offending;
- To increase the amount of time police/council officers spend dealing with more serious crime and reduce the amount of time officers spend completing paperwork and attending court, whilst simultaneously reducing the burden on the courts.

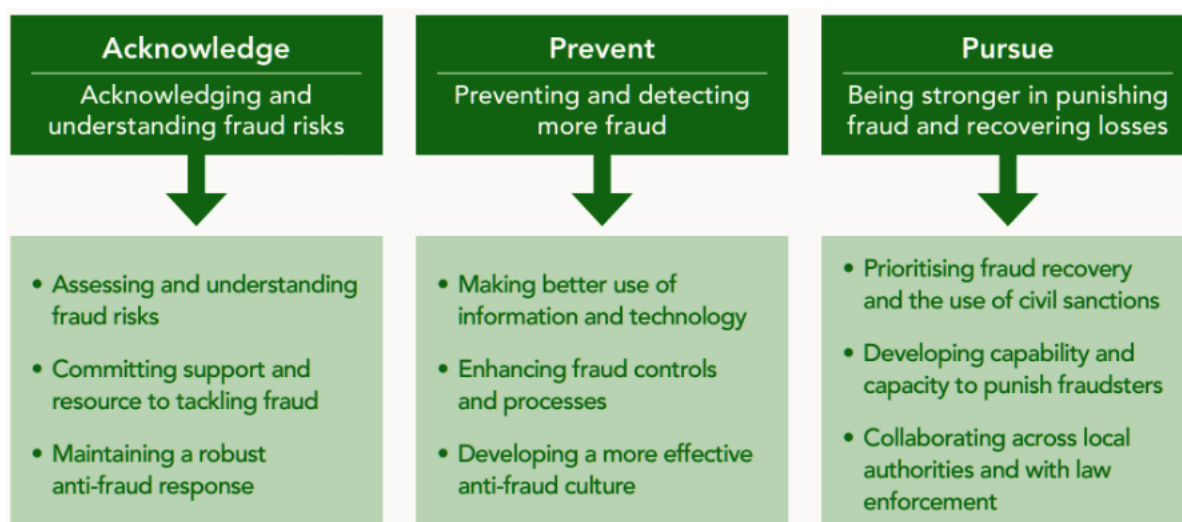
In summary CAFT continue to provide an efficient value for money counter fraud service and is able to investigate all referrals or data matches to an appropriate outcome. CAFT also provide advice and support to every aspect of the organisation including its partners and contractors. This advice varies between fraud risk, prevention and detection, money laundering and other criminal activity as well as misconduct and misuse of public funds. Some of the matters will progress to criminal investigation and others will not, but in all cases appropriate actions, such as disciplinary or recovery action is taken. It is this element along with the 'preventative – deterrent' nature of the CAFT work that is hard to quantify statistically but where possible we have done so in the performance indicators section of this report.

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## 1. Anti-Fraud Strategy

Our annual anti-fraud strategy was aligned with the strategic approach as outlined in ‘Fighting Fraud Locally’ (FFL) – the Local Government Fraud Strategy 2016 -2019. This provided a blueprint for a tougher response to tackle public sector fraud. In 2017-18 we also continued to consider and incorporate the six themes as detailed within the 2016 FFL (**Culture, Capability, Capacity, Competence, Communication** and **Collaboration**) and as such our strategy and approach to incorporate a response to these themes as well as consideration of local fraud risks facing the Council alongside horizon scanning on emerging national fraud risks and relevant good practice guidance.



<b>Culture</b> – creating a culture in which beating fraud and corruption is part of daily business
<b>Capability</b> – ensuring that the range of counter fraud measures deployed is appropriate to the range of fraud risks
<b>Capacity</b> – deploying the right level of resources to deal with the level of fraud risk
<b>Competence</b> – having the right skills and standards
<b>Communication</b> – raising awareness, deterring fraudsters, sharing information, celebrating successes
<b>Collaboration</b> – working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information.

We have continued to deliver our communications strategy which is aimed to increase CAFT’s profile, impact and effectiveness by aligning with the strategic approach set out in FFL. The aim was to increase awareness around CAFT policies and channels through which concerns and incidents can be reported as well as emphasize the responsibility of staff on making reports and enable residents to report any suspicions or incidents of fraud or wrongdoing. A good example of this is the publicity campaign that supported ‘fraud awareness week’ which included use of social media for the first time.

We continue to recognise that our communications play a key role in ensuring that our staff and residents understand and recognise fraud risks, understand the role of CAFT, different types of fraud and through which channels they can report any concerns or incidents of fraud. To support this CAFT continue to work closely with the communications team to ensure that press releases are made in relation to pro –active exercise carried out by the team as well as prosecutions that take place.

Our **internal awareness campaign** and face to face fraud awareness sessions aim to increase fraud understanding between staff and their ability to detect fraud.

Month	Campaign
August 2017	CAFT officers delivered bespoke Blue Badge Fraud Awareness sessions to approx. 60 NSL Civil Enforcement Officers as well as members of the council's parking team
November 2017	CAFT delivered an internal Fraud Awareness lunch and learn session which formed part of the International Fraud Awareness week. This session highlighted the work of the team as well how and when to make referrals and focused on Frauds that the team had investigated.
Ongoing	CAFT conducted face to face bespoke Fraud Risk Awareness session to various teams within Barnet Homes such as neighbourhood housing teams and associated teams.
Ongoing	CAFT delivered face to face bespoke Fraud Risk sessions across various Delivery Units as well as 'new manager' induction training on a regular basis

The **external awareness campaign** was targeted to residents across the borough with the aim to increase awareness around fraud and the different ways they can report any concerns.

Month	
November 2017	CAFT conducted a number of pro-active operations throughout the International Fraud Awareness Week; including holding a stall at Middlesex university, The Broadwalk Centre in Edgware and Barnet House Housing reception. These events were all accompanied by press releases and use of social media advising where CAFT officers would be so that members of the public to visit or contact us.
December 2017	Publicity exercise in the Barnet at Home Magazine highlighting results of the Fraud Awareness Week
Ongoing	Utilisation of the council's social media accounts to highlight Blue Badge Misuse and Fraud

### **Acknowledging (and detecting) Fraud**

As the council's dedicated fraud team, CAFT consists of qualified counter fraud specialists that operate under a framework of relevant policies and internal working procedures.

Each year we consider and review national fraud risks and emerging fraud trends against local intelligence fraud risks to assist in developing our risk based annual work plan (part of which is joint with internal audit). During the last year we have continued to strengthen our collaborative working with internal audit and key partners by utilising our intelligence, data analytics and data matching results to help direct anti-fraud reviews. We continue to work with services and key partners in helping ensure that anti-fraud arrangements are fit for purpose on all aspects of fraud risk. We have a fraud responsibilities and arrangement details in all major contracts and in addition an working protocol with both CAPITA covering the CSG and Re contractual arrangements that address anti-fraud responsibilities as well as Barnet Group in relation to the management agreement arrangements that address anti-fraud responsibilities.

Each year we make a commitment to tackling fraud and deliver a robust anti-fraud response through the existence and work of the CAFT, supported by our annual risk based work plan (and joint plan with internal audit). This plan is approved each year by senior management and the Audit Committee. Progress on and changes to the plan are reviewed constantly and reported quarterly to senior management and the Audit Committee.

### **Preventing (and deterring) Fraud**

We recognise that employees are often the first line of defence in preventing fraud. The Financial Regulations within the Council's Constitution places the responsibility for fraud prevention on all employees.

We have many open and easily accessible channels for reporting fraud, as well as confidential reporting 'Whistle blowing' policy in place to assist employees in reporting concerns about fraud and other issues without fear of harassment or victimisation. There is CAFT dedicated e-learning training within the corporate 'induction' programme for all new starters. During the last year CAFT also delivered bespoke face to face session on fraud awareness covering areas on financial fraud and abuse as well as delivering Tenancy Fraud awareness session to many Barnet Homes front line staff as well as the new managers induction program.

CAFT routinely use data matching techniques to identify possible fraudulent activity as well as centrally co-ordinating and investigating referrals relation to the National Fraud Initiative (NFI) data matching exercises to ensure that it is given high priority within services. During the last year we have also introduced the use of data analytics as part of our pro-active exercises to have more targeted risk based approach.

CAFT continue to work closely with services and management in high fraud risk areas to ensure that working procedures and practices include robust fraud preventative measures. CAFT also conduct targeted proactive anti-fraud activity throughout the year, joint reviews with internal audit as well as re-active investigation work. Outcomes from reviews and investigations where appropriate are reported to management to support their on-going work and to assist in either confirming effective anti-fraud controls and or suggested areas for improvement.

We have effective liaison and working relationships with our HR team and where criminal activity is suspected or found, CAFT will deal with the criminal matter and disciplinary process in parallel to avoid duplication.

#### **Pursuing Fraud (and seeking redress)**

During the last year CAFT have undertaken a comprehensive exercise to review all internal investigation processes and procedures to ensure that they are effective, efficient and compatible with all governing legislation. There are internal CAFT management processes that ensure all investigations are carried out in a consistent, compliant and timely manner. This also ensures that we take appropriate action/sanctions against anyone who commits fraud whether they are members of staff or members of the public.

To this end we have an established financial investigation function within CAFT. The purpose of this function is to liaise closely with other internal departments and external partner's (including the Police) that prosecute offenders in order to raise awareness around Proceeds of Crime Act (POCA) and ensure that where possible financial investigations are considered and undertaken by CAFT so that we can assist in the recovery of losses to the public purse and obtain where possible compensation and/or confiscation under the POCA. We also ensure that we utilise civil recovery procedures in relation to Tenancy Fraud and work collaboratively with other LA's and law enforcement agencies to ensure best use of resources with holistic approach to counter fraud at all times.

## 2. Pro-active fraud plan

**Table 1** provides an update against all CAFT pro-active activity as set out within the 2017/18 plan

CAFT Pro-active review	Outcome
<b>Children's - Schools Admissions</b> Proactive targeted anti-fraud work in this area to ensure the safeguarding of school placements.	We were unable to conduct this exercise as a proactive review due to level of re-active work on the team.
<b>CSG – Fixed Asset Register</b> Proactive targeted anti-fraud work in this area to cross match data from Land Registry and internal LBB records to identify and confirm assets	In November 2017 CAFT obtained access to Land registry records and cross matched these against the councils fixed asset register. This matching scrutinised the residential properties (freehold and leasehold) as well as commercial and empty land sites. 1 site (derelict property valued at £625K) has been identified as not being on the councils internal list of assets. A further 8 sites remain under investigation awaiting information and site visits
<b>National Fraud Initiative data matching exercises</b> The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.	In October and December 2016 Barnet Council submitted a number of data sets to the Cabinet office for matching against other public-sector data sets. This matching process returned 12,705 matches to Barnet that required investigation due to indications of fraud. 3020 of these matches were deemed to be recommended matches requiring the authority to investigate and report the outcome. 1427 cases have been investigated resulting in the identification of £338,399 of fraud and or system error which is currently being recovered.
<b>Disabled Blue Badge Street Operations</b> Disabled Blue Badges must only be used by the named badge holder, or by a person who has dropped off or is collecting the badge holder from the place where the vehicle is parked. It is a criminal offence for anyone else to use a Blue Badge in any other circumstances.	During the year CAFT have conducted <u>eight</u> intelligence led pro-active 'street' exercises across the borough – these are accompanied by NSL parking enforcement officers and Barnet Police. All the results of these operations are included within the statistical information in section 3 of the report. <ul style="list-style-type: none"> <li>The first Operation spanned a half day and was carried out on <u>25th May 2017</u> in the Golders Green area. As a result of this exercise <b>7</b> cases were identified for further investigation. Out of these <b>1</b> was a forgery, <b>2</b> were cancelled and <b>4</b> were being misused. <b>6</b> badges were also seized during the day.</li> <li>The second Operation was carried out on <u>28th June 2017</u> in the Edgware and Mill Hill areas. As a result of this operation <b>13</b> cases were identified for further investigation. Out of these <b>1</b> was a cancelled badge and <b>12</b> were being misused. <b>5</b> badges were also seized during the day.</li> <li>The third Operation was carried out on <u>23rd August 2017</u> in the Finchley Area. <b>10</b> cases were identified as possible Fraud or Misuse and referred for further investigation. Out of these <b>2</b> badges were found to be lost or stolen, the remaining <b>8</b> cases were confirmed as being misused. <b>8</b> badges were seized also during this operation.</li> <li>The fourth Operation was carried out on <u>28th September 2017</u> in the High Barnet Area. <b>8</b> cases were identified as possible fraud or misuse and referred for further</li> </ul>

investigation. Out of this **1** badge was found to be a cancelled badge and the remaining **7** were confirmed as being misused. **4** badges were also seized during this operation.

- The fifth Operation was carried out on 24th October 2017 in the Hendon Area. **14** cases were identified as possible Fraud or Misuse and referred for further investigation. **8** badges were seized during this operation. **3** of these badges were found to be lost/stolen or cancelled, the remaining **11** cases were confirmed as being misuse.

#### **Two Blue Badge Operations during Fraud Awareness Week 14<sup>th</sup> – 18<sup>th</sup> November 2017**

The week saw the Corporate-Anti Fraud Team come together with colleagues from other council enforcement teams including Trading Standards, Licencing, NSL Street Enforcement, Re Noise Reduction Teams, Community Protection Teams and the Police.

The purpose of the week-long operation was to have a high visibility presence in the Edgware and Burnt Oak areas and to carry out anti-fraud exercises such as Blue Badge Fraud and Tenancy Fraud as well as to tackle some of the anti-social behaviour issues in the area, such as littering, fly-tipping and unauthorised street trading.

- Operations sixth and seventh operations took place during this week gave the following results:

Number of Blue Badges verified throughout the week-long operation	494	
Number of Fraud / misuse cases identified	<b>38</b>	All 38 cases were considered for caution or formal prosecution
Number of badges seized	23	15 re misuse, 8 re Fraud i.e. stolen/ forged
Number of badges remaining at the scene	15	14 re misuse, 1 re Fraud i.e. stolen/ forged
No. of PCN's issued relating to BB fraud /misuse	<b>23</b>	Where evidence of misuse/ fraud is obtained PCNs are issued immediately
No of PCN's issued <u>not</u> relating to BB fraud /misuse	13	During Blue Badge operations, other parking offences come to light and are dealt with accordingly

- The eighth Operation was carried out on 6th March 2018 in the Hendon Area. **9** cases were identified as possible Fraud or Misuse and referred for further investigation. **1** of these badges was found to be counterfeit, **1** was an expired badge & the remaining **8** cases were confirmed as being misuse. **2** badges were also seized during this operation including the counterfeit badge.

Overall street based operations have resulted in 56 Blue Badges (20% of all blue badge investigations) being seized. *(Full statistics on Blue*

	<i>Badge misuse/fraud are reported within section 3 of the report – Performance Indicators)</i>
<b>Tenancy Fraud Pro-active exercises</b> CAFT have a service level agreement with Barnet Homes in relation to Tenancy Fraud. As part of this agreement there is a commitment for Tenancy Fraud officers to carry out four pro-active exercises across the borough	<ol style="list-style-type: none"> <li>1. In April 2017, CAFT began a pro-active verification exercise that covered all right to buy applications received by Barnet Homes. Officers verified that the correct tenant was residing in the property and made enquiries regarding how the purchase would be funded to combat any money laundering concerns. Since April 2017, Barnet Homes have received 184 right to buy applications. This verification process has resulted in 45 applications being stopped due to concerns relating to funding and the use of the properties. 1 case has been passed to our legal team for criminal proceedings to begin and 93 applications were confirmed as being eligible to proceed to the purchase stage. A further 45 applications remain under investigation awaiting further verification.</li> <li>2. In August 2017, CAFT conducted a pro-active verification exercise on all properties owned by the Registered Social Landlord (RSL) Notting Hill, within the borough. This meant that the 246 properties were visited by Tenancy Fraud Investigators. The exercise resulted in one case being prepared for our legal team to commence both civil and criminal actions with the tenants at a further 17 properties still currently being investigated.</li> <li>3. In November 2017, Tenancy Fraud Officers were involved in a week long pro-active exercise linked to International fraud awareness week. One of the objective of this exercise was to have a high visibility presence in a dedicated area to promote Tenancy Fraud Awareness. Approx. 500 properties were visited to verify the correct tenants were residents, as a result of this one property was recovered with a further two cases remaining under investigation.</li> <li>4. In March 2018, Tenancy Fraud Officers began a new pro-exercise targeting a percentage of Barnet Homes tenants who fall into a particular 'fraud indicator' for Tenancy Fraud – as this exercise is in initial stages further details on the outcome of this exercise will be reported in following months.</li> </ol>

**Table 2** provides details of joint CAFT and Internal Audit Reviews and overall assurance ratings as set out within the 2017/18 plan. Further details of these reviews can be found in the relevant internal Audit quarterly progress reports.

CAFT and Audit Joint Reviews	Overall Assurance Rating	Summary of Findings	Relevant quarter issued in / Link to Internal Audit Report
Non-Schools Payroll	Reasonable	There were 2 medium risk ratings found relating to system access to core and overtime payments.	<a href="#">Q1 audit progress report</a>
Key Financial Systems - Pensions	Reasonable	There was 3 medium and one low risk recommendation	<a href="#">Q1 audit progress report</a>

		findings identified relating to policy and procedures.	
Nursery places	Limited	There was 1 high risk finding relating spot checks and referrals to CAFT, there were 3 medium risks findings relating to interim payments & head count issues, fee guidance updates and single point failure, and finally two low risk findings relating to payments made to providers and downloads of OFSTED information. There was also one advisory recommendation.	<a href="#">Q1 audit progress report</a>
Commercial Waste – achieving income target	Reasonable	There were 5 medium risk findings which covered Vehicle tracker monitoring, excess waste, commercial waste sacks policy, Commercial waste bag security and FPN enforcement	<a href="#">Q1 audit progress report</a>
Re Operational Review – Planning and Enforcement	Reasonable	There were 5 medium risk findings which covered the self-review of enforcement cases, false representations, conflicts of interest, referral to area planning committees and discharging of powers and minutes. There was also 1 low risk finding which related to lessons learnt from the planning inspectorate	<a href="#">Q3 Audit Progress Report</a>
Eligibility to Work - Pre-Employment Checks - Non-Schools	Reasonable	There was 1 High risk finding relating to DBS monitoring and 2 medium risk findings relating to work permit follow up arrangements and operating effectiveness of pre-employment checks.	<a href="#">Q3 Audit Progress Report</a>
Accounts Payable	Limited	There was 1 high-risk finding in relation to the potential for duplicate payments	<a href="#">Q4 Audit Progress report</a>
Accounts Receivable	Reasonable	There was 1 high risk finding relating to control design.	<a href="#">Q4 Audit Progress report</a>
Fixed Asset Register - Corporate Landlord –	Reasonable	There was 1 High risk finding relating to data quality in Atrium and 2 Medium risk findings relating to Risk management and Fraud awareness	<a href="#">Q4 Audit Progress report</a>
Deputyship – money management	Reasonable	There were 3 medium risk findings relating to Peer review of transactions, Client data and Property visits.	<a href="#">Q4 Audit Progress report</a>

Comensura	In progress
Review of new Depot arrangements	In progress
Freedom Passes	In progress

### 3. Performance Indicators

**Table 3** provides an update against all performance indicators as set out within the 2017/18 plan

Performance Indicator	2017-18	Comments
<b><u>Corporate Fraud Team</u></b> deal with the investigation of any criminal and fraud matters (except Benefit and Tenancy related fraud) attempted or committed within or against Barnet such as internal employee frauds, frauds by service recipients and any external frauds. They work in partnership with partners, other organisations and law enforcement agencies to ensure that the public purse is adequately protected		
Number of carried forward Fraud investigations from previous year	27	
Number of new fraud investigations	55	
Total Number of closed fraud investigations	64	<b>1</b> case was successfully prosecuted and <b>1</b> was given a Formal Caution. <i>(please refer to noteworthy investigations sections of the report for further details if fraud is proven)</i> . <b>30</b> closed No fraud, <b>21</b> closed insufficient evidence and <b>2</b> cases referred to the police. <b>9</b> were closed after Advice and Assistance was given to respective departments.
Total number of on-going fraud investigations	<b>18</b>	Of these <b>18</b> cases <b>1</b> relates to Schools and Learning, <b>3</b> relate to School admissions, <b>1</b> relates to Family Services, <b>4</b> relate to Waste and recycling, <b>1</b> relates to Property services, <b>2</b> relate to Barnet Homes, <b>1</b> relates to Estates, <b>1</b> relates to Parking, <b>1</b> relates to Environmental Health, <b>1</b> relates to Assisted Travel, <b>1</b> relates to Adults & Communities and <b>1</b> relates to Parking
Number of staff* no longer employed / dismissed as a result of CAFT investigations	5	*This included LBB/Agency/Temporary staff and/or partner organisations or subsidiary holdings.  Please refer 'Corporate Fraud Noteworthy Investigation' sections of the report for further details.
<b><u>Disabled Blue Badge Misuse and Fraud</u></b> this details the investigation of Blue Badge Misuse as well as Blue Badge fraud. Blue Badges can only be used by the named badge holder, or by a person who has dropped off or is collecting the badge holder from the place where the vehicle is parked. It is a criminal offence for anyone else to use a Blue Badge in any other circumstances.		
Number of carried forward Fraud investigations from previous year	37	
Number of new BB referrals received	355	

Number of BB cases closed	274	<b>36</b> cases were successfully prosecuted and <b>86</b> were given Formal Cautions ( <i>Please refer to noteworthy investigations sections</i> ) <b>14</b> closed No fraud, <b>51</b> Warning letters issued, <b>73</b> closed insufficient evidence and <b>2</b> cases referred to the police, <b>1</b> staff dismissal & <b>11</b> were closed Fraud Proven (no further action)
Open On-going BB investigations	<b>118</b>	<b>33</b> cases are already with our legal team for prosecution
<b>Financial Investigations</b> - a Financial Investigation under the Proceeds of Crime Act 2002 ensures that any person's subject to a criminal investigation by Barnet do not profit from their criminal action		
Number of carried forward Financial investigations from 17-18	11	
Number of new Financial investigations	13	
Number of closed Financial investigations	5	<b>1</b> of these were closed as No Fraud <b>1</b> of these were referred to Police <b>3</b> of these were closed due to insufficient evidence
Total Number of on-going Financial investigations	<b>19</b>	Of these ongoing investigations: - <b>8</b> relate to Planning <b>3</b> relate to Tenancy Fraud <b>1</b> relates to direct payments <b>5</b> relate to investigations undertaken on behalf of L.B Haringey <b>1</b> relates to Re <b>1</b> relates to Care Services Delivery
<b>Tenancy Fraud Team</b> prevent, identify, investigate, deter and sanction or prosecute persons that commit tenancy fraud in Barnet, ensuring maximising properties back to the council where Tenancy Fraud has been proven. CAFT provide a detailed monthly statistical report, along with a more comprehensive half year and year-end report to Barnet Homes outlining how many properties have been recovered, along with a list of all referrals from the neighbourhood officers and the status of the cases referred		
Number of carried forward Tenancy Fraud investigations from 2016-17	91	
Number of new Tenancy Fraud Cases referred to CAFT	315	
Number of new Right to Buy applications where information submitted was verified by CAFT	184	
<b>Total number of cases</b>	<b>590</b>	
Number of Tenancy cases closed resulting in a property being recovered	61	<b>36 relate to standard tenancies</b> <i>8 were recovered via civil court action due to evidence of subletting. 2 properties were recovered after outright possession orders were granted due to non-occupancy and 26 sets of keys were voluntarily surrendered as a result of CAFT investigations.</i> <b>11 relate to succession applications</b> <i>where the property was voluntarily surrendered by relatives who had no</i>

		<i>valid succession rights</i> <b>14 relate to emergency accommodation</b> <i>1 was recovered via civil court action due to subletting</i> <i>13 were voluntarily surrendered due to tenants not being resident or no longer needing the property</i>
Number of Tenancy cases closed with no fraud being identified	240	These cases were all investigated. All were closed due to no fraud being identified
Number of Housing Applications refused because of CAFT verification process	12	CAFT work closely with the Housing Options Team and carry out verification exercises for identifying inaccurate information being submitted on housing application forms. These exercises allow us to reserve the housing waiting list for only those who have a legitimate need for social housing
Number of mutual exchanges prevented because of CAFT intervention	1	Since April 2017 all mutual exchange applications are validated by CAFT to prevent unlawful house swapping.
Assignments refused as a result of CAFT intervention	2	CAFT check all assignments applications. These are when the tenant tries to assign the tenancy to another person
Number of Right to Buy cases closed due to applications being denied	45	A saving of £4,169,000.00 in discounts on these properties was achieved by preventing the sale of the properties due to the application being withdrawn as a result of CAFT investigations.
Number of Right to Buy cases closed after the application was validated by CAFT as being genuine	93	All Right to Buy cases are validated by CAFT. These cases were validated as having no issues and so allowed to progress through the Right to Buy Process with Barnet Homes
Total number of cases closed	<b>454</b>	
Total number of on-going Tenancy Fraud Investigations.	85	
Number of cases with legal awaiting court action	5	
Total number of on-going right to buy Investigations.	46	
Number of Tenancy Fraud cases being carried forward into Q1 2018-19	<b>136</b>	
<b>Other information reported as per requirements of policy.</b>		
Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).	<b>Nil</b> this year. This statistic is reported for information purposes in accordance with our policy and statistical return to the Office of Surveillance Commissioners.	
Number of referrals received under the council's whistleblowing policy.	<b>Four</b> anonymous letters were received under whistleblowing policy in the last year – all at the same time during Q3. These matters all related to Family Services (FS). In response to these letters an independent review was commissioned and the findings of that review concluded that most matters either were already known and being addressed through the FS Improvement Plan or unfounded. There were some	

	additional recommendations for consideration for further improvement. The findings have been shared with the Chief Executive, Director of Children's Service, Chair of the FS Improvement Board, and Ofsted.
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## 4. Noteworthy investigations summaries for 2017/18

### Corporate Fraud Investigations

**Case 1** relates to an individual who falsified documentation in order to appeal several parking tickets that he had received within the borough. By using altered breakdown reports he appealed tickets on the basis that he was not able to start or move his vehicle. He was prosecuted and fined £1,000 and ordered to pay costs of £1,000 and a victim surcharge of £50

**Case 2** Relates to a member of refuse staff who was observed by CAFT officers collecting commercial waste when this did not form part of his duties and there was no trade waste agreement in place, the member of staff was dismissed from his employment as an agency member of staff.

**Case 3** relates to two members of waste and recycling who were alleged to have collected private household waste from the driveway of a property in the borough using a council vehicle, evidence was obtained and both members of staff were interviewed regarding the allegation, neither was able to offer an acceptable explanation and both were dealt with under the council's disciplinary procedure, resulting in neither of them continuing to be employed by the council.

**Case 4** relates to an individual who was carrying out canvassing visits on behalf of the council, suspicion arose that the visits were being recorded as completed without him conducting the visit resulting in him receiving payment to which he was not entitled, he was interviewed under caution for offences contravening the Fraud Act 2006 and admitted to recording some visits that he had not done as being completed successfully. Due to the amount of money involved being low, he was given a Formal Caution and voluntarily paid back the lost council funds as well as the costs of the investigation. He will no longer be employed by the council for the canvassing duties.

**Case 5** relates to an additional ongoing financial fraud investigation, however due to the ongoing nature of this investigation this will be reported to the Audit Committee members separately and in exempt session in accordance with Sections 100A-H and Schedule 12A Local Government Act 1972. Once the investigation is concluded and the information is in the public domain it will be reported within the main body of the CAFT reports.

### Blue Badge Prosecutions

**Case 1** relates to the misuse of a child's disabled blue badge by the child's father. He was interviewed under caution and during the time the case was being considered for further action, he was caught misusing the same badge once again. He was interviewed a second time where he admitted misuse on both occasions. He pleaded guilty at Willesden Magistrates and was sentenced to a £461 fine, £30 victim surcharge and ordered to pay costs of £802.89

**Case 2** relates to the misuse of a child's disabled blue badge by the child's father. He was using it to park up for work purposes. He pleaded guilty at Willesden Magistrates and was sentenced to a £800 fine, £80 victim surcharge and ordered to pay costs of £654.85

**Case 3** relates to the use of a counterfeit badge, the defendant was found to have been using a copy of his mother's disabled badge which had been cut to size and laminated in an attempt to make it appear genuine, the suspect was prosecuted for the offence and received the maximum £1,000 fine. He was also ordered to pay costs of £1,001 and a victim surcharge of £100, this case received national newspaper coverage as the suspect was a multi-millionaire businessman.

**Case 4** Relates to the misuse of a cancelled badge in Mill Hill. The driver of the vehicle was identified and failed to attend an interview under caution on several occasions. She was prosecuted and found guilty of the offence of blue badge misuse. She was sentenced to the maximum fine of £1,000, ordered to pay costs of £950 and a victim surcharge of £100

**Case 5** relates to the use of a counterfeit blue badge by an employee of Middlesex University who had made a photocopy of a relative's badge and used this to park for free whilst at work. He pleaded guilty the offence of 'use of Articles in Fraud'

(section 7 Fraud Act 2006) and was sentenced at Harrow Crown Court to 60 hours of unpaid work, ordered to pay costs of £370.00 and an £85 victim surcharge.

**Case 6** relates to the misuse of a blue badge by a member of NSL staff who was contracted to provide environmental enforcement within the borough. The staff member was suspected of misusing a badge belonging to a relative to park close to his place of work. The case relied heavily on strong circumstantial evidence which was insufficient to meet the burden of proof required in a Magistrates court. However, the evidence was passed to NSL who carried out a disciplinary hearing which resulted in the employee being dismissed

**Case 7** relates to the misuse of a relatives disabled blue badge by the badge holder's wife. On two occasions, she was witnessed on CCTV using the badge for her own benefit, although at interview she denied this stating that her husband went in to the restaurant by using the rear door. She eventually pleaded guilty at Willesden Magistrates and was sentenced to a fine of £154, ordered to pay costs of £1000 and a £30 victim surcharge.

**Case 8** relates to the misuse of stolen disabled blue badge that was observed being used on a vehicle in a pay by phone bay. This same badge was seen being used a couple of days later on this vehicle by a CAFT Officer who then seized the badge. At interview, the defendant stated that she thought it was her friend's grandmothers badge and thought they were going to pick her up. She pleaded guilty at Willesden Magistrates. She was fined £150.00, ordered to pay costs of £500.00 and a victim surcharge of £30.00.

**Case 9** relates to the misuse of a deceased persons badge. At interview, he stated that he had used the badge as he had his own medical problems. He pleaded guilty and the Magistrates sentenced him to a Conditional Discharge of 6 months, £200 costs and £20 Victim surcharge.

**Case 10** relates to the misuse of a deceased persons badge by her son in law. He said that on the day he was in a rush and he displayed the badge and then left the badge on display for the whole day. He also admitted that he had misused the badge on a number of other occasions. He pleaded guilty at Willesden Magistrates court and he was sentenced to a fine of £461, ordered to pay costs of £804.78 and a victim surcharge of £46.

**Case 11** relates to the misuse of a child's blue badge by the badge holder's older sister enabling her to park for free at University. Evidence showed that she had misused the badge on four different occasions. She pleaded guilty at Willesden Magistrates and they sentenced her to a £230 fine for each of the four offences, ordered to pay costs of £767.97 and a victim surcharge of £30.00 totalling £1,717.97.

**Case 12** relates to the misuse of a child's blue badge by the badge holders mother. She misused the badge on two occasions as she was running late for University. She pleaded guilty at Willesden Magistrates and was sentenced to a Conditional Discharge for 12 Months, ordered to pay costs of £200 and a Victim Surcharge of £20.00.

**Case 13** relates to the misuse of a deceased persons badge by the badge holder's daughter. She pleaded guilty at Willesden Magistrates court and was sentenced to a fine of £500, ordered to pay costs of £459.91 and a victim surcharge of £50.

**Case 14** relates to the misuse of a deceased persons badge. The driver of the vehicle chose not to attend an interview under caution and instead wrote in a letter fully admitting the offence and sent the cancelled badge to CAFT. In the letter, she admitted liability and was extremely remorseful. She pleaded guilty at Willesden Magistrates court and was sentenced to a fine of £180, ordered to pay costs of £371.00 and a victim surcharge of £30.00

**A further 22 cases of blue badge Fraud were put before the courts. All of which were found guilty with Fines being issued and costs being awarded to the council.**

### **Simple Cautions (previously known as Formal or Police Cautions)**

The aims of the simple caution scheme are:

- *To offer a proportionate response to low-level offending where the offender has admitted the offence;*
- *To deliver swift, simple and effective justice that carries a deterrent effect;*
- *To record an individual's criminal conduct for possible reference in future criminal proceedings or in criminal record or other similar checks;*
- *To reduce the likelihood of re-offending;*

- *To increase the amount of time police/investigation officers spend dealing with more serious crime and reduce the amount of time officers spend completing paperwork and attending court, whilst simultaneously reducing the burden on the courts.*

**Eighty-Six** cautions were administered by CAFT in 2017-18 where disabled blue badges were found being misused. Following investigative interviews under caution, the circumstances of these cases allowed CAFT to consider them to be dealt with by way of the administration of a formal caution of which: -

- **Forty-nine** of these cases related to instances where errands were being run by family members on behalf of the badge holder. These errands related to the collection of items such as medication. The offenders stated that they believed that the badge could be used for such action but when the Blue badge scheme was explained to them they realised that their actions fell outside of what was permitted.
- **Seven** cases related to situations where the offenders had been given permission by the badge holder to use the badge. The offenders stated that they believed that they could use the badge with permission. When the Blue badge scheme was explained to them they realised that their actions fell outside of what was permitted. In all five cases warning letters were sent to the Badge holders.
- **Twenty-Three** cases related to a situation where the offender used the badge to allow them to park close to a school where they were due to collect a child who was not the Badge holder or misused a badge for the sole purpose of conducting their own shopping or to allow them to park near their places of work / study
- **Seven** Cases relate to the offender forgetting to remove the badge after being with the badge holder earlier on the same day

### **Tenancy Fraud Investigations**

**Ms A** had a two bedroom flat in Barnet. A referral was received following the gas safety team visiting the property and having concerns that the tenant was not resident. An investigation showed that the tenant actually owned another property and was living elsewhere. Following an interview under caution, Ms A decided to hand the keys back and surrendered the tenancy. The matter was passed to our legal team for criminal proceedings. Ms A pleaded guilty and received a custodial sentence of 12 months and ordered to pay £20,000 in compensation, along with £3,174 prosecution costs.

**Ms B** obtained a two-bedroom emergency accommodation on the basis of being a single parent with one daughter. A referral was received from the housing needs team stating that there were suspicions that the daughter was not resident with Ms B. The investigation confirmed that the daughter had not been living with Ms B prior to the application being made. Ms B was asked to attend an interview under caution. She initially maintained that her daughter was resident, but when questioned further, admitted this was not correct. Notices to quit were issued and the matter was passed to our legal team resulting in an outright possession order being granted by the civil courts. Bailiff's subsequently recovered the property. The case was also passed to our legal team for criminal proceedings concerning the housing application. Ms B pleaded guilty and received a custodial sentence of 24 weeks, suspended for 2 years and ordered to do 150 hours of unpaid work. She was also ordered to pay costs of £1000.

**Mr C** had a two-bedroom flat in Barnet. This property was looked into as part of a pro-active exercise during fraud awareness week. A visit was conducted by Tenancy Fraud officers who established person other than the rightful tenant was residing in the property. Mr C immediately got in touch with CAFT and voluntarily handed the keys back.

**Ms D** had a two-bedroom flat in Barnet. As part of the Right to Buy verification process officers identified evidence showing that Ms D had links to another property. Officers visited this other property and found Ms D was actually residing there. She was subsequently interviewed under caution which resulted in her voluntarily handing the keys back. The case is currently with our legal team for criminal proceedings.

**Ms E** had a two-bedroom flat in Barnet. As a result of a pro-active exercise, Tenancy Fraud Officers obtained evidence that the tenant was living elsewhere. An unannounced visit was made to the property where persons other than the tenant was found to be residing. Ms E was interviewed under caution regarding the matter and stated that she split her time between the tenancy address and the other address that she was also living at. The case was passed to our legal team for criminal and civil proceedings. Ms E pleaded guilty to the criminal offence and received a 12 months conditional discharge. She was also ordered to pay £12,000 compensation and costs of £1,308. She also agreed to voluntarily surrender the tenancy.

**Ms F** had a two bedroom flat in Barnet. As part of a pro-active data matching exercise, information was received that showed Ms F actually owned a property elsewhere. Further investigation showed that her child was attending school in the area where she owned the property. Following an interview under caution, Ms F decided to hand the keys back and surrendered the tenancy. The case was passed to our legal team for criminal proceedings and Ms F pleaded guilty at the first opportunity. She was sentenced to 20 months custodial, suspended for 18 months. The matter is still ongoing for confiscation proceedings to recover losses incurred by the council.

**Mr G** had a two-bedroom house in Barnet. A referral was received from the neighbourhood team who had concerns the tenant was not occupying the property. Numerous visits were made to the property without any response and neighbours stated someone other than the tenant was resident. The investigation showed Mr G was rarely in the country and notices to quit were served. The matter was passed to our legal team to commence civil proceedings. Mr G continually delayed action by writing to the courts, but an outright possession order was granted and bailiffs subsequently recovered the property.

**Ms H** had a three-bedroom house in Barnet. A referral was received from the neighbourhood team who had concerns that the property was unoccupied. The investigation revealed that the tenant was very rarely in the Country and an unannounced visit by a Tenancy Fraud Officer found the property was being sublet. Ms H refused to attend interviews under caution and the matter was passed to our legal team. An outright possession order was granted and Bailiffs' subsequently recovered the property.