

# Corporate Anti-Fraud Team (CAFT) Progress Report: July – September 2015

**13<sup>th</sup> October 2015**  
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## **Introduction**

This report covers the period 1<sup>st</sup> July 2015 – 30<sup>th</sup> September 2015 and represents an up-to-date picture of the work undertaken by Corporate Anti-Fraud Team (CAFT) during that time.

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 in fulfilling his 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.

Work processes in the team are designed for maximum efficiency and as such all functions are intrinsically linked and are dependent on each other in order to ensure CAFT continue to provide an efficient value for money counter fraud service and that is able to investigate all referrals or data matches to an appropriate outcome. CAFT 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 are taken. It is this element of the work of CAFT that is hard to quantify statistically.

As previously reported on 1<sup>st</sup> July 2015 Barnet area became a Single Fraud Investigation Service (SFIS) site in relation to benefit fraud investigations. SFIS is the creation of a national single integrated fraud investigation service within the Department of Work and Pensions (DWP). CAFT transferred all on-going benefit cases to SFIS and 3 CAFT investigators also transferred to the DWP back in July. CAFT no longer are authorised to investigate benefit fraud and as such this does not form part of our statistical reports.

## **Contents**

1. Performance Indicators
2. Noteworthy Investigation Summaries

## 1. Performance Indicators

Table below provides an update against all performance indicators as set out within the 2015/16 counter fraud plan.

No targets are set against each of these indicators, as they are the results of CAFT re-active and continuous investigation work.

Performance Indicator	Quarter 2 July – September Progress	Comments
<b>Corporate Fraud Team</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 UKBA, Police and HM Revenue and Customs to ensure that the public purse is adequately protected		
Number of carried forward Fraud investigations from Q1	35	
Number of new fraud investigations	13	
Total Number of closed fraud investigations	22	
Total number of on-going fraud investigations	26	Of these 26, 4 investigations, relate to Barnet Homes, 13 relate to Assisted Travel, 3 relate to School Admissions, 4 relate to planning, 1 relates to waste and recycling 1 relates to Environmental health Details of cases are reported on closure if fraud is proven or another sanction given.
Number of prosecutions	2	Please refer to noteworthy investigations sections of the report for further details
Number of dismissals as a result of a CAFT investigation.	0	
Number of school, places withdrawn as a result of fraudulent applications	2	Please refer to noteworthy investigations section of the report for further details
<b>Financial Investigations</b> - a Financial Investigation under the Proceeds of Crime Act 2002 ensures that any persons subject to a criminal investigation by Barnet do not profit from their criminal action		
Number of carried forward Financial investigations from Q1	10	
Number of new Financial investigations	3	
Number of closed Financial investigations	0	
Total Number of on-going Financial investigations	13	Of these 13 financial investigations, 1 case relates to Tenancy fraud, 6 relate to Benefit Fraud and the recovery of funds back to the council, 3 relate to

		Planning, 1 relates to Trading Standards, 1 relates to direct Payments, 1 relates to schools finance.
Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).	0	This is reported for information purposes in accordance with our statistical return to the Office of Surveillance Commissioners
Number of referrals received under the council's whistleblowing policy.	1	This is reported for information purposes only in accordance with our policy.
<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.		
Number of carried forward Tenancy Fraud investigations from Q1	68	Of the 87 on-on-going investigations there are currently 5 cases with legal awaiting criminal hearings and 5 cases awaiting civil hearings.
Number of new Tenancy Fraud investigations	103	
Total Number of closed Tenancy Fraud investigations	84	
Total number of on-going Tenancy Fraud Investigations.	87	
Number of properties recovered	20	20 properties have been recovered this year so far. The savings that this number of recovered properties equates to is £3.0m* (*according to audit commission calculation of £150k per recovered property)
Number of 'Right to Buy' applications denied as a result of CAFT intervention	14	The savings in discounts that were offered to tenants in the right to buy scheme are in the region of £606,920
Number of Homeless Applications denied as a result of CAFT intervention	5	We have been working pro-actively with the housing options team and this is starting to have an effect with increased referrals to CAFT and measurable outcomes.
Temporary accommodation/emergency accommodation properties stopped	2	

## 2. Noteworthy investigations summaries:-

### Benefit Fraud

**Mr Moradifard**– relates to a joint investigation with the DWP into a benefit claimant where we had concerns that numerous housing benefit claim forms were completed in similar handwriting in different names. False benefit claims were believed to have been made to the Barnet and London Borough of Haringey by the same person in at least six different identities. Further investigations with the DWP revealed more identities. Mr Moradifard was arrested and interviewed under caution on two occasions and each time tried to blame someone else for the fraud. Mr Moradifard was found guilty of making a false application for benefit under the Social Security Administration Act 1992 and nine counts of fraud by false representation under the Fraud Act 2006 following a five week trial at Wood Green Crown Court. He had claimed £80,726.24 fraudulently in benefits. He was sentenced to three years and nine months imprisonment. The judge took the unusual step of reading out a letter of commendation in respect of the CAFT investigation officer; He said the outcome had depended on the diligence and perseverance of the officer who had continued to investigate following the CPS decision not to pursue the case. Confiscation proceedings are ongoing and Mr Moradifard's assets have been restrained.

### Tenancy Fraud

**Mrs Thompson** had a two bedroom flat in the NW9 area. There were suspicions that Mrs Thompson was not actually resident and the matter was passed to CAFT. Investigations began into the residency of the property and appeared to show she was actually living elsewhere. When she became aware that she was being investigated, Mrs Thompson returned the keys to the property and surrendered the tenancy. Mrs Thompson was interviewed under caution regarding a criminal offence and she was subsequently found guilty of two offences under the Fraud Act 2006. She was sentenced to a 12 month community order and 200 hours unpaid work. Confiscation proceedings are still ongoing.

**Mr Savani** made a right to buy application on his elderly Mothers property. He stated that he had been resident for over 12 months. CAFT looked into the application and there were concerns that he lived elsewhere and had submitted a false application to purchase his mother's property. Mr Savani was interviewed under caution and admitted he actually lived with his wife elsewhere. Mr Savani was prosecuted and pleaded guilty to an offence contrary to the Fraud Act 2006. He was sentenced to 12 months custody, suspended for 18 months. A curfew was imposed saying he could not leave home between 7pm – 7am for 6 months and was electronically monitored. He was also ordered to do 80 hours unpaid work within 18 months and ordered to pay full costs of £4129.00. If the right to buy application had been successful, Mr Savani would have been entitled to purchase the property with a discount of £103,900 less than the current market value.

**Mr H** had a two bedroom property in the NW4 area. A referral was received from Metropolitan Housing stating they had concerns that the tenant was not resident. Checks showed many links to another address. Mr H was interviewed under caution regarding the matter and admitted to not being resident in the property since 2010. Following discussions with CAFT, Mr H agreed to relinquish the tenancy of the property. Nomination rights are then given to Barnet Homes to rehouse a tenant into the property. The matter has been passed to our legal team to commence criminal proceedings against Mr H.

**Mrs M** had a three bedroom property in the NW9 area. Mrs M made a right to buy application in respect of the property, but became aware that CAFT were looking into her tenancy following an allegation that she was not resident in the property. She withdrew the right to buy application. If the right to buy application had been successful, Mrs M would have been entitled to purchase the property with a discount of £103,900 less than the current market value. However she then asked for a transfer to a smaller property to be nearer her daughter. A member of CAFT went round the property with a member of Barnet Homes and cautioned Mrs M as we did not believe she was resident. Within days, Mrs M returned the keys to the property and surrendered the tenancy. If

she had been successful with the trade down to a one bedroom property, Mrs M would have received £3,000 in compensation.

### **Corporate Fraud**

**Mr Titi** – This case relates to the use of a stolen Blue Disabled Badge by the Mr Titi, the owner of a Hair Salon in Golders Green. CAFT officers investigated the referral and identified that the Blue Badge being used had been reported Stolen in 2012 and on seeing the Badge being used in a vehicle in Golders Green Called the police who attended the scene. Mr Titi was found working in his salon where he was arrested and charged with theft by finding and handing stolen goods as well as Fraud by false representation. He appeared at Highbury Magistrates court in September 2015 where he pleaded guilty and received a £200.00 fine, a victim surcharge of £20.00 and also crown prosecution service charge £85.00 and criminal court charge of £180.00.

**Mr Ghadakchi** – This case relates to the misuse of a Disabled Blue Badge by a visitor to the North London business Park who had parked his vehicle in a disabled bay and displayed a Blue Badge. Mr Ghadakchi was approached by CAFT officers who asked to inspect the badge. On Inspection the Badge was seen to be that of an elderly female which turned out to be his mother. Mr Ghadakchi was interviewed under caution for Misuse of a Disabled Blue Badge and pleaded guilty to Wrongful use of disabled person's badge contrary to Section 117 Road Traffic Act 1984. He received a fine of £300, a court charge of £150, a victim surcharge of £30 and ordered to pay prosecution costs of £600. This case represents the first formal prosecution by the London borough of Barnet for Misuse of a Disabled Persons Blue Badge.

**AA99** – As part of CAFT pro-active anti-fraud plan we looked at a sample secondary schools applications in the borough to identify any fraudulent applications. This case relates to the false application for a school place at **Mill Hill County School** which resulted in the place being offered. The application stated that the child and the parents were residing at an address within the Borough of Barnet. Checks carried out by the CAFT identified that the family were actually living and claiming benefits at an address in Hornchurch in Essex at the time that the application was submitted. The case was presented to the School Admissions department and after due consideration the school place was withdrawn.

**AA91** - As part of CAFT pro-active anti-fraud plan we looked at a sample secondary schools applications in the borough to identify any fraudulent applications. This case relates to the false application for a school place at **The Archer Academy** which resulted in the place being offered. The application stated that the child and the parents were residing at an address within the New Barnet area. Checks carried out by the CAFT identified that the family were actually living at an address in East Barnet at the time that the application was submitted. The case was presented to the School Admissions department and after due consideration the school place was withdrawn.