

**Corporate Anti-Fraud Team (CAFT)
Progress Report: 1st October – 31st December
2018**

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1. Introduction

This report covers the period 1st October 2018 – 31st December 2018 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 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.

Work processes in the team are designed for maximum efficiency and as such all functions are intrinsically linked and are dependent on each other 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 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 civil are taken. It is this element of the work of CAFT that is hard to quantify statistically.

Q3 saw the return of activities linked to 'International Fraud Awareness Week' which ran from 11th – 17th November 2018. As with previous years the purpose of this week was to raise fraud awareness and give advice on how to report concerns both internally, for members of staff and externally for members of the public. It was also used as an opportunity to increase awareness and visibility, as well as the profile of the CAFT team and the work they do in relation to Blue Badge Fraud, Tenancy Fraud and General internal and external Fraud. There was also a rebranding of the CAFT logo to invigorate and focus on the issues. Details of these activities are reported in section 2 - CAFT Proactive review.

International Fraud Awareness Week 11-17 November 2018

Find out more about how you can help stop fraud.

Help protect the public purse
Report all suspicions of fraud against the council and its partners to the **Corporate Anti-Fraud Team**.
Call the Fraud Hotline on **020 8359 2007** or email **CAFT@barnet.gov.uk**

www.barnet.gov.uk/anti-fraud

BARNET
LONDON BOROUGH

The poster features a central graphic with the word 'FRAUD' in large, bold, red letters, with 'IN BARNET' below it. Surrounding this are various terms related to fraud: 'STOP', 'PHISHING', 'TENANCY FRAUD', 'BRIBERY', 'CORRUPTION', 'BLUE BADGE FRAUD', and 'STOLEN'. A fingerprint icon is also visible on the left side of the graphic.

Table 1 below compares this year’s referrals with those received in the same period last year. The figures show that there have been some variations in the new referral types, specifically Blue Badge fraud. This reduced number in Q3 is attributed to the fact that last year in Q3 a detailed Blue Badge fraud training program was delivered to the Civil Enforcement Officers which had an immediate effect on referrals. It is envisaged that another training program will be delivered by CAFT in the new financial year with a view to increasing referrals in this area. It should however be noted that the overall number of referrals remains relatively constant with that of last years.

Table 1

New Fraud Referrals	2017-2018			2018-2019		
CAFT Section	Q1	Q2	Q3	Q1	Q2	Q3
Corporate Fraud	21	14	13	9	12	18
Blue Badge Fraud	54	96	146	73	100	76
Financial	1	4	4	3	4	1
Tenancy Fraud	65	84	102	76	96	125
Total no. of New referrals	141	198	265	161	212	220
	604			593		

2. Pro-active fraud plan

Table 2 provides an update against any CAFT pro-active exercises undertaken in this period as set out within the 2018/19 plan

CAFT Pro-active review	Outcome
<p>Disabled Blue Badge Street Operation. 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.</p>	<p>CAFT have conducted five intelligence led pro-active ‘street Operation’ during the last three months. During these exercises CAFT officers are accompanied by NSL Parking Enforcement Officers and Officers from Barnet Police.</p> <p>The first of these Operations was carried out on 29th October 2018 in the Hendon area. During this operation 11 badges were identified as being misused, out of these 4 badges were cancelled and 3 badges were seized.</p> <p>The following three Operations were carried out during ‘International Fraud Awareness Week’ in November 2018 in the areas of Hendon, Edgware and High Barnet. During these Operations 277 blue badges were checked resulting in 16 badges being identified as being misused (5 of these were cancelled badges). 5 badges were seized and 11 Penalty Charge notices (PCN) were issued for blue badge misuse.</p> <p>The final Operation was carried out on 5th December 2018 in Burnt Oak and Edgware as part of a ‘Day of Action’ arranged by the Task Force consisting of the Community Safety Hub, the Police and other enforcement agencies. During this exercise, a</p>

**International Fraud Awareness Week
11th -17th November 2018**

This is a proactive week of action where the work of counter fraud officers is publicised and advice given to staff as well as members of the public to assist with any concerns they may have.

**Corporate Fraud
Adult Social Care Direct payments**

A proactive exercise was carried out whereby data relating to direct payments was cross matched against DWP deceased records to identify any overpayments resulting from a failure to notify the council.

counterfeit disabled badge was identified for further investigation.

As well as carrying out Blue Badge Operations throughout the week with police, CAFT officers set up information stalls at Barnet House housing reception, the Broadwalk shopping centre in Edgware, the Spires shopping centre in High Barnet and the quadrangle in Middlesex University at Hendon. CAFT officers were joined at these locations by colleagues from Trading Standards, Street Enforcement and Environmental Health where advice was given as well as Promotional items such as Post-it notes, pens, key rings and lanyards being distributed to members of the public.

CAFT Also held a lunch and learn session in the Atrium where fraud related paraphernalia seized from real cases was on display with officers on hand to explain how they were used.

Throughout the week there were also a number of communications released via First Team Articles, Barnet First – e-newsletter, Computer and TV screen messages at NLBP and Barnet House and other Social Media such as Tweets and Facebook and Press Releases for the purpose of keeping Fraud Awareness at the forefront of people’s minds

The purpose of this exercise was to identify payments that may have been made to recipients after they had passed away.

The exercised used 589 cases where direct payments had terminated within the last two years. The results established in 59 cases where the direct payment was stopped as a result of the death of the recipient.

In 55 of the cases the direct payment had been stopped on the relevant date in relation to the date of death.

The remaining 4 cases are still under investigation and relate to anomalies regarding payments that were made and utilised post death

3. Performance Indicators

Table 3 provides an update against all performance indicators as set out within the 2018/19 fraud plan. This shows that CAFT Officers have actively investigated a total of 471 allegations of fraud in this third quarter of 2018/19 (251 ongoing investigations and 220 new referrals).

(No targets are set against each of these indicators, they are the results of CAFT re-active and continuous investigation work – with the exception of ‘Properties Recovered’ which is agreed with Barnet Homes as an annual figure of 60 properties).

Performance Indicator	Q3 2018-19	Comments
Corporate Fraud Team 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 Q2	12	
Number of new fraud investigations	18	
Total number of Cases dealt with in Q2	30	
Total Number of closed fraud investigations	13	4 closed no Fraud 1 Fraud proven (School Admissions - please refer to noteworthy case 1 in section 4) 2 advice & assistance given with recommendations made to the department concerned. 6 closed insufficient evidence
Number of staff no longer employed / dismissed as a result of CAFT investigations.	0	
Number of cases awaiting legal action	0	
Total number of on-going fraud investigations	17	1 relates to Family Services 1 relates to assisted travel 1 relates to Parking 7 relate to Direct Payments 1 relates to Waste & Recycling 1 relates to Council Tax 2 relate to Electoral Register 1 relates to Schools & Learning 2 relate to Housing rents
Total number of Corporate cases carried into Q4	17	
Disabled Blue Badge Misuse and Fraud 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 Q2	111	As a result of these referrals 12 badges have been seized.
Number of new referrals received	76	
Total number of BB cases dealt with in Q3	187	

Number of cases that were closed after prosecution in Q3	9	These cases were put before the courts in the third quarter and resulted in guilty verdicts. Please refer to noteworthy cases in section 4
Number of cases closed with Cautions being Administered in Q3	24	Please refer to noteworthy investigations section 4 of the report for further details
Number of cases closed with a warning letter sent to badge holder or misuser in Q3	19	Warning letters* are issued where there is a strong suspicion that a holder's badge is being misused or the LA has decided to take no further action. *some relate to Barnet badges seized by other local authorities
Number of cases closed with no further action by the Authority	14	1 was closed Fraud Proven no further action (NFA), and 13 were closed due to insufficient evidence.
Total number of BB cases closed in Q3	66	
Number of cases with HB Public Law awaiting court action	14	All of these cases are already with our legal team for prosecution
Number of On-going BB investigations	107	
Total number of BB cases Carried into Q4	121	
Financial Investigations - 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 Q2	22	
Number of new Financial investigations	1	
Total number of Financial cases in Q3	23	
Number of closed Financial investigations	0	
Total number of closed Financial cases in Q3	0	
Total Number of on-going Financial investigations	23	Of these investigations, 7 relate to planning, 3 relate to Tenancy Fraud, 1 relates to Finance 1 relates to Trading Standards. As CAFT have Accredited Financial Investigators, there is scope for us to offer our services to other local authorities who do not have trained officers in this field. We are currently assisting Haringey Council with 9 PoCA investigations, Enfield Council with 1 PoCA investigation and Camden Council with 1 PoCA

		investigation. Details of cases are reported on closure when all legal actions have concluded
Total number of Financials cases carried into Q4	23	
<p>Tenancy Fraud Team 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.</p> <p>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 current status of the cases referred.</p>		
Number of carried forward Tenancy Fraud investigations from Q2	106	
Number of new Tenancy Fraud Cases referred in Q3	80	
Number of new Right to Buy Cases received for verification	45	Since April 2017 CAFT hold the responsibility for vetting all Right to Buy Applications submitted to Barnet Homes.
Number of cases being investigated in Q3	231	
Number of Tenancy cases closed due to property being recovered by the Authority	7	<p>4 relate to standard tenancies, which were recovered due to civil action being taken.</p> <p>3 relate standard tenancies where the property was voluntarily surrendered. All noteworthy cases are referred to in Section 4</p> <p>As at the end of Quarter 3 – CAFT have recovered 37 properties so far, this year.</p>
Number of Right to Buy cases closed due to applications being denied as a result of CAFT intervention	9	The Right to Buy scheme helps eligible council and housing association tenants in England to buy their home at a discount. By the end of Quarter 3 CAFT have denied 38 RTB applications due to inaccuracies or for supplying false information
Number of Tenancy investigations closed	63	These cases were investigated but no tangible evidence was identified to substantiate the allegations. <i>The cases were closed as Insufficient Evidence or No Fraud Identified</i>
Number of Right to Buy cases closed as eligible to apply	25	All Right to Buy cases are now validated by CAFT. These cases were validated has having no issues and so allowed to progress through the RTB system
Total number of cases closed in Q3	104	

Total number of on-going Tenancy Fraud Investigations.	113	Of these cases 5 are with legal awaiting Criminal prosecution and 2 is with legal awaiting Civil action.
Total number of on-going Right to Buy Investigations.	14	
Number of Tenancy Fraud and Right to Buy cases carried into Q4	127	
Other information reported as per requirements of policy.		
Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).	Nil this quarter. 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.	There have been 0 referrals received under the council's whistleblowing policy in this last quarter.	
This is reported in accordance with Policy.		

4. Noteworthy investigation summaries: -

Corporate Investigations

Case 1 – relates to an allegation of a fraudulent Primary school's admission. The basis of the referral was that the application address was in fact within the catchment area for the requested school, but that the applicants did not reside at the address. CAFT therefore commenced an investigation. CAFT enquires confirmed that although the address was owned by the applicant they did not reside at the property as there was evidence that actually resided at an address outside the catchment area and as a result the preferred school requested by the applicant was not offered so no further action needed to be taken ...

Blue Badge Investigations

Case 1 – relates to the misuse of a child's disabled Blue Badge that was being used by a family member to gain free parking. The offender initially pleaded 'not guilty' at Willesden Magistrates Court on 9th October 2018 stating that the badge was not on display. After a brief discussion, she pleaded Guilty to an offence of wrongful use of a disabled badge contrary to section 117 of the Road Traffic Regulation Act 1984 and was sentenced to a conditional discharge, ordered to pay costs of £2,000 and a £20 victim surcharge.

Case 2 – relates to the fraudulent use of a foreign disabled badge believed to be a forgery. The offender was approached by Fraud Officers at the scene when using the badge and had refused to co-operate. He drove off without providing his details. Video footage was obtained by the officer which gave a clear description of the driver who was later identified as being a student at the local University. He attempted to mislead the investigation by stating that he had sold the car and the offender was not him and refused to attend a formal interview. The offender was summonsed to court and pleaded guilty to wrongful use of a disabled badge contrary to 117 Road Traffic Regulation Act 1984 on 13th November 2018 and was sentenced to a fine of £150, ordered to pay full costs of £550 and a victim surcharge of £30.

Case 3 – relates to the misuse of a deceased persons Blue Badge that was being used to gain free parking. The offender stated that he had found the badge a couple of days before, however further investigations established that the badge had been used on the same vehicle some months earlier by his wife (please see **case 4** below). The offender in this case pleaded Guilty at Willesden Magistrates Court on 13th November 2018 to Theft by finding and to wrongful use of a disabled badge contrary to section 117 of the Road Traffic Regulation Act 1984

and was sentenced to a fine of £500 for Theft, a £200 fine for the misuse of the badge, ordered to pay costs of £500 and a £50 victim surcharge.

Case 4 – relates to the misuse of a deceased persons Blue Badge that was being used to gain free parking. The offender was investigated for using the badge on her vehicle when it came to light that she had received a parking fine and photographic evidence showed the blue badge displayed. She was interviewed and admitted using the badge that had been found by her husband. The offender pleaded guilty to wrongful use of a disabled badge contrary to 117 Road Traffic Regulation Act 1984 on 13th November 2018 and was sentenced to a fine of £100, ordered to pay costs of £200 and a victim surcharge of £30.

Case 5 – relates to the misuse of a deceased persons Blue Badge that was being used to gain free parking on more than one occasion. Further to this the offender had appealed and got away with paying previous parking fines by stating that he had a blue badge and that he was the badge holder. The offender pleaded guilty to two offences of wrongful use of a disabled badge contrary to 117 Road Traffic Regulation Act 1984 and 2 offences of Fraud by False Representation contrary to the Fraud Act 2006 on 04th December 2018. He was sentenced to £600 for each Fraud offence, £100 for each misuse offence, ordered to pay costs of £1,280.09 and a victim surcharge of £60. In total, he was ordered to pay £2,740.09.

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.

24 Simple Cautions were administered by CAFT in Q3 in investigations 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 Simple Caution.

All of the cases that were cautioned related to instances of straight forward misuse that took place. These include situations where errands were being run by family members on behalf of the badge holder such as the collection of medication or food. The offenders stated that they had the badge holder's permission and believed that the badge could be used for such action. However, when the Blue Badge scheme was explained to them they realised that their actions fell outside of what was permitted. In such cases and in accordance with our policy the council can issue a simple caution rather than pursue the matter through the courts.

Tenancy Fraud Investigations

Mr B had a one bedroom flat in Hendon, a referral was received from the caretaker of the address who suspected the property was being lived in by someone other than the tenant. The resulting CAFT investigation found that the tenant was in fact living elsewhere whilst receiving rental payments for the social housing property. The tenant failed to attend any of the arranged interview under caution appointments and made it clear he would not be attending. The case was taken to civil court where outright possession was granted and the property was recovered, the case is now with legal for prosecution under the Prevention of Social Housing Fraud Act 2013 for sub-letting the property.

Mr F had a one bedroom flat in Edgware. A referral was received from the Barnet Homes repair team who had been informed by a neighbour that the tenant did not live there. A number of visits were carried out to the property and calling cards were left. Witness statements were obtained from the neighbours stating the tenant was not resident and all efforts to locate the tenant were exhausted. An eviction therefore took place and the property was recovered.

Ms N had a three-bedroom house in Whetstone. As part of a proactive exercise for Notting Hill Housing Association, an un-announced visit was made to the property. There was no answer so a calling card was left. Further suspicion arose when an e mail was received from the tenant stating she was on holiday for the next three weeks. The CAFT investigation revealed that the tenant had actually been living in Dubai and her daughter and daughters partner were living in the property. The case was taken to civil court where outright possession was granted and the property was recovered.

Ms S had a one bedroom flat in Finchley Central. A pro-active exercise was being carried out in the area, and un-announced visit found the tenant at a property which was not the social housing property she was the tenant of. The CAFT investigation found that the tenant was living with her grandmother and not at her tenancy address. The tenant failed to attend a number of arranged interviews, the case therefore went to civil court where outright possession was granted and the property was recovered through eviction.

Mr Q had a one bedroom flat in Colindale. An application was received from the tenant in relation to reassigning the property to his brother as he needed to travel to Afghanistan to care for his sick mother. The CAFT investigation found that the tenant had in fact been living in Canada since 2014. The tenant returned to the UK for a formal interview under caution, however his solicitor advised him not to be interviewed. However, tenant subsequently returned the keys to the property and then returned to Canada before any legal proceedings could take place.

Mr K had a three-bedroom house in Southgate. The investigation commenced following a referral from Metropolitan Housing Association, stating the tenant was linked to another property. CAFT identified that the tenant had purchased a property after the tenancy started, which he is allowed to do, but no longer needed the assistance of social housing. The tenant voluntarily returned the keys and the property was recovered.

Miss M had a four-bedroom house in High Barnet. The investigation started due to an anonymous referral stating the tenant was not resident at the property and it was being left empty. CAFT investigations identified that the tenant had moved out of the property to live elsewhere. The tenant was interviewed and confirmed she had vacated the property and that it was no longer needed. The keys were voluntarily returned and the property was recovered.