

## **Corporate Anti-Fraud Team (CAFT) Progress Report: 1 October 2022 – 9 December 2022**

# EXECUTIVE SUMMARY

This report is to provide a summary on the outcome of all CAFT work undertaken during 1 October 2022 to 9 December 2022 and represents an up-to-date picture of the work undertaken, 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.

The **Corporate Fraud Team** investigated **42** cases of alleged fraud. These investigations resulted in **1** case that was referred for disciplinary investigation, and **3** civil recovery cases relating to Council Tax payments (totalling **£3,508.09** identified for recovery). **5619** data matches were identified through the NFI Fraud Hub relating to Council Tax SPD. In collaboration with the Council Tax team, so far, **347** of these have been dealt with, with a further **47** being investigated, resulting in **£3,389.31** being identified in recovery and on-going savings

The **Concessionary Travel Fraud** Team has investigated **117** cases of alleged Blue Badge misuse, fraudulent appeals relating to penalty charge notices (PCNs) and alleged parking permit fraud. These resulted in **4** cautions being administered, **1** criminal prosecution and **14** warning letters being issued.

The **Tenancy Fraud team** have investigated **170** cases of alleged Tenancy Fraud. They were responsible for recovering **9** properties and preventing **5** Right to Buy applications due to the applicants not being eligible to purchase under the scheme. In addition to this, Tenancy fraud officers prevented **4** new applications from going through due to the applicant not being resident at the property. These applications were for Assignment, succession, joint to sole and mutual exchange.

There have been **12 Financial (Proceeds of Crime) Investigations** carried out this quarter. **10** of these are on-going and recovery of confiscation orders continues. **1** case was closed due to insufficient assets being available to continue and **1** was closed as proceeds recovered.

In addition to the specialist Financial investigative role, CAFT continue to 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.

We are confident that CAFT will continue to provide an efficient value for money counter fraud service and has demonstrated that it is able to successfully investigate all types and levels of fraud referrals to an appropriate outcome.

## Other information reported as per requirements of policy.

Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).	<b>0 this Quarter.</b> 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>1 this Quarter</b>

# International Fraud Awareness Week

## 13-19 November 2022



### Blue Badge Fraud Operations during the week

Operations were carried out in the areas of **Hendon, Golders Green, Finchley, Edgware, and High Barnet**

**246** Badges were checked by Fraud Officers during this week

**28** New Blue Badge fraud cases were identified broken down as follows

- **15** Misuse of a valid badge
- **6** Misuse of a Stolen Badge
- **4** Misuse of a Lost Badge
- **2** Misuse of a counterfeit badge
- **1** Misuse of a Deceased persons badge

In Addition, **25** Penalty Charge Notices (PCN) were issued, and **8** Badges were seized from offenders

Leaflets were handed out to members of the public and local businesses



**International Fraud Awareness Week 2022** involved CAFT Officers accompanied by Community Safety colleagues taking to the streets of the Borough to promote the work of the Council in fighting fraud and to raise public awareness as well as tackling new offences that they identified during a number of street-based operations that were carried out.

Stalls were set up in Brent Cross Shopping Centre, Broadwalk Shopping Centre, and West Hendon Community Hub where residents were able to engage with Officers and learn about the work of the team as well as in some cases providing intelligence and new fraud referrals to the Officers. CAFT were accompanied by the Elections Team to promote National Voter Registration Week and CST colleagues promoting their Community Safety Hubs and strategy. Promotional freebies were handed out, posters were erected in libraries and communal areas signposting members of the public to how and where to report fraud. During the street Operations, **3** fly-tipping offences were reported for the CST team to deal with.

**111** people engaged with Officers at Brent Cross Shopping Centre and **2** new referrals were received relating to tenancy fraud

**25** people engaged with Officers at Edgware Broadwalk Shopping Centre and **1** blue badge referral was received



### Tenancy Audit Visits

**385** Social Housing Properties were Identified; over the course of the week **589** visits/re-visits were carried out at these properties.

**198** Tenancy Audit Checks were fully completed

**17** Cases were identified for further investigation

Leaflets were posted in Social Housing properties to signpost residents to where and how to report tenancy fraud

# CORPORATE FRAUD

There have been **42** cases dealt with in **Quarter three** of 2022-23 relating to Fraud against services provided by the Council or within Service Areas

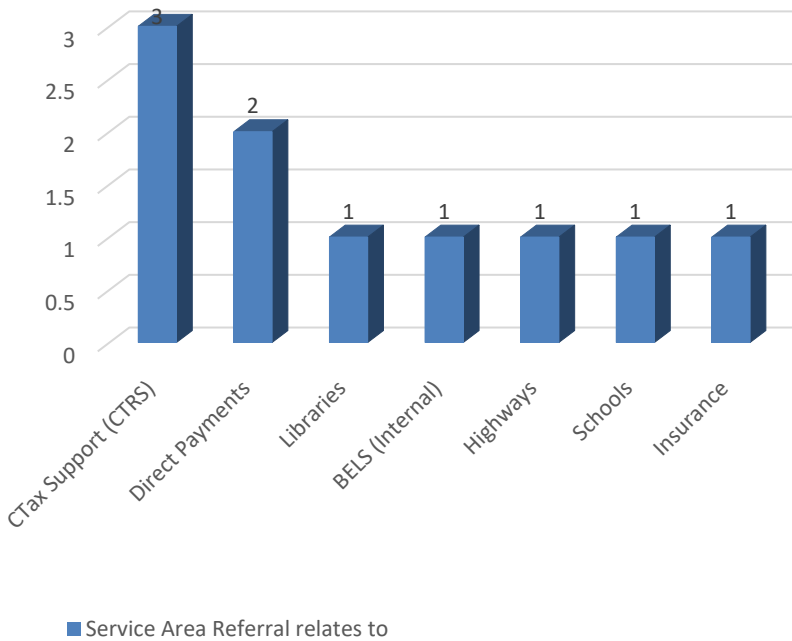
**32** cases carried forward from Q2

**10** New referrals received in Q3

**10** cases were closed in Q3

**32** on-going investigations

## New Referrals received in Quarter 3



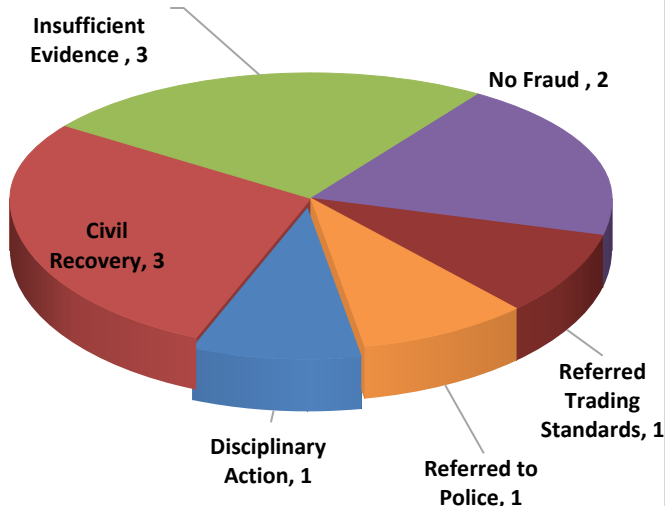
The majority of referrals in this quarter relate to **Council Tax Support (CTRS)** with this being **30%** of all new referrals.

**5,619** data matches were identified through the NFI Fraud Hub relating to Council Tax SPD. In collaboration with the Council Tax team, so far, **347** of these have been dealt with a further **47** being investigated, resulting in **£3,389.31** being identified for recovery savings

Although the number of new referrals decreased this quarter, the current on-going cases are more complex in nature this year which are resource intensive

## Closed cases in Quarter 3

### CASE OUTCOMES



### 3 Civil Recovery

- Single Person discounts (SPD) removed from Council Tax accounts resulting in **£3,508.09** to be recovered

### 3 Insufficient Evidence

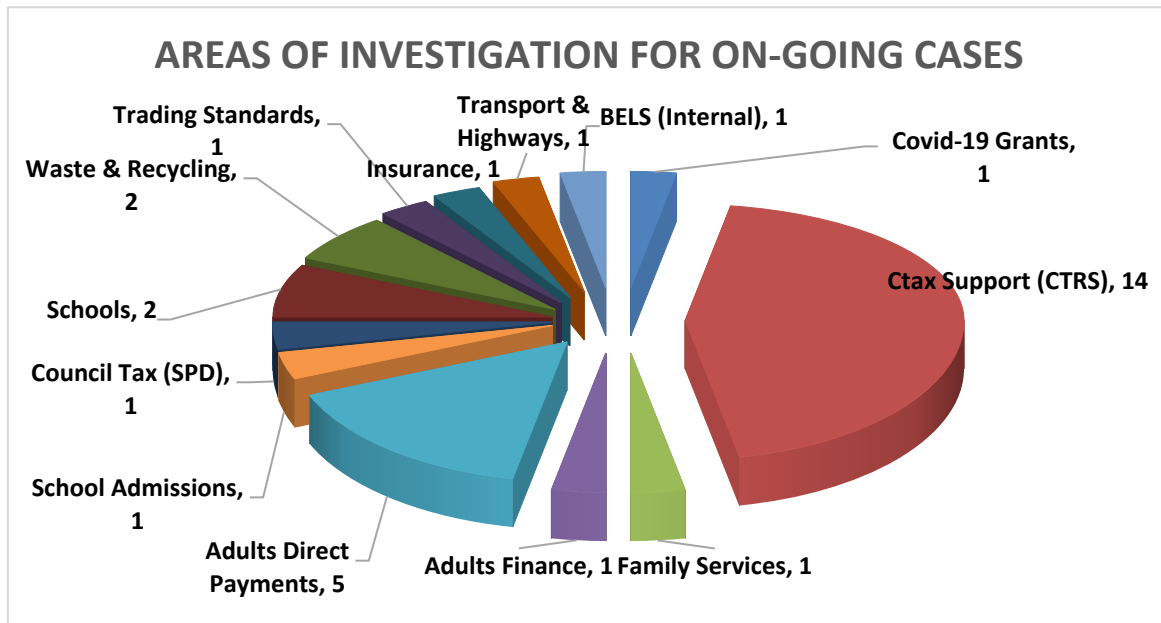
### 2 No Fraud

### 1 Referred to HR for Disciplinary Action

### 1 Referred to Police

### 1 Referred to Trading Standards

## On-going investigations



- 14 Council Tax (CTRS)
- 5 Adults Direct Payments
- 2 Waste & recycling
- 2 Schools
- 1 Council Tax (SPD)
- 1 BELS (internal)
- 1 Covid-19 Grants
- 1 Adults Finance
- 1 Family Services
- 1 School Admissions
- 1 Trading Standards
- 1 Transport & Highways
- 1 Insurance

1 case is currently with our legal team awaiting prosecution

## Noteworthy Corporate Cases

**Case 1** – A referral was received from Estates regarding the theft of key fobs and fuel cards from pool cars whilst parked in Platt Hall. There had been two separate incidents, and, on each occasion, a blue entry fob was used to access the gates at Platt Hall. It was confirmed that these were LBB allocated fobs but there were no records of who was in possession of them. CCTV had been obtained by CAFT officers and passed to Police. It was confirmed that a van was seen entering the site in the early hours of the morning but had in fact been granted access by security as the driver claimed to be an employee of the Ubeeqo car hire company. The CAFT investigation identified that the suspect was not a Barnet Council employee and evidence obtained, including CCTV footage, witness statements and key entry audit logs to assist the Police investigation which remains on-going.

**Case 2** – A referral had been received regarding the misuse of a Corporate Purchase Card (P Card) by an employee. The service had discovered the mis-spend. The employee's past expenditure was analysed where it was identified that only one personal transaction had occurred which was under £50. This case fell below the threshold for CAFT action and was therefore referred back to the service to commence disciplinary proceedings with HR.

**Case 3** – An anonymous referral was received alleging that a resident was claiming a single person discount (SPD) on his Council Tax account, although he was residing with his partner. Evidence was obtained confirming that a second adult was resident, and the resident was asked to provide details of when his partner had moved in. As no response was received, the SPD was removed from the earliest date that evidence was available resulting in **£861.82** being identified for recovery in Council tax payments.

**Case 4** – A referral was received from the Assisted Travel team advising that they had received a Freedom Pass application for a property, however the property had a Single Person Discount (SPD) on the Council Tax account, and the applicant was not the named account holder. Further investigations including a property visit had revealed that the account holder had vacated some time ago and the property was a house of multiple occupation. There was no HMO licence registered to the property and no apparent planning permission. The Council Tax account was closed with removal of the SPD resulting in a recovery amount identified of **£1,373.55**. A referral was made to the HMO and Planning Enforcement teams and the Landlord has been made liable for the full council tax at the property.

There was a further investigation similar to those above resulting in the removal of a single person discount identifying an amount of **£1,272.72** which is in the process of being recovered

# CONCESSIONARY TRAVEL FRAUD

This section details the investigation of Blue Badge Misuse, Blue Badge, Parking permit fraud and fraudulent appeals for Penalty Charge Notices (PCN's). 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.

There have been **117** cases dealt with in **Quarter three** of 2022-23 relating to Concessionary Travel Fraud

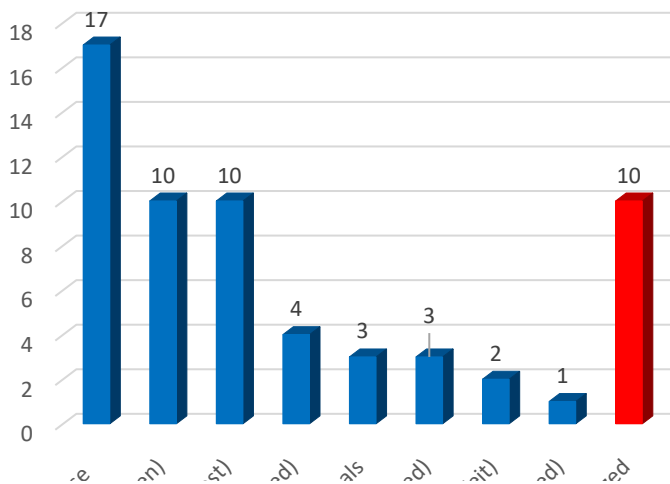
**67** cases carried forward from Q2

**50** New referrals received in quarter 3

**61** cases were closed in Q3

**56** on-going investigations

## New Referrals received in Quarter 3

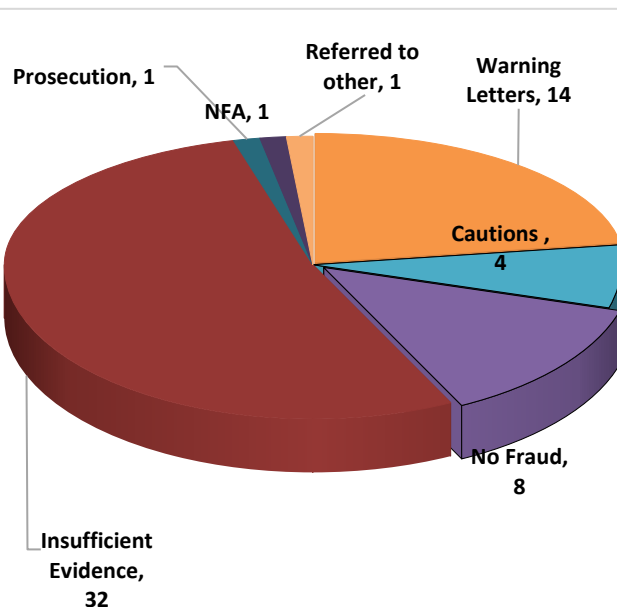


The highest number of referrals related to blue badge misuse / fraud in the area of **Golders Green** with this accounting for **20%** of all new referrals received this quarter. The next highest areas of misuse occurred in **Edgware, Finchley Church End and High Barnet** with **14%** of new cases in each area

Over **50%** of all offences identified in **Hendon** related to the use of **Stolen** badges


**40%** of all new cases related to the use of **lost and stolen** blue badges

## Closed cases in Quarter 3



## Outcomes

**1** Criminal Prosecution (costs recovered £300)

**4** Cautions  (total costs recovered £70)

**14** Warning Letters 

\* Where the circumstances of the misuse are such that criminal sanction is not appropriate, an example would be a badge holder using their own expired badge whilst waiting for a new badge to be issued

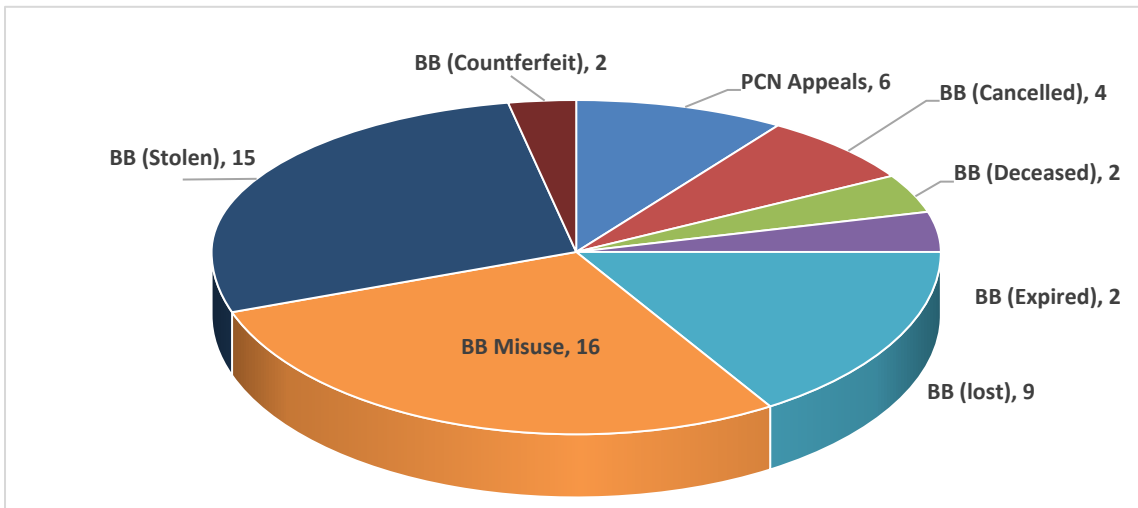
**32** Insufficient Evidence

**8** No Fraud

**1** NFA (not in public interest)

**1** referred to another Borough

## On-going Investigations



**6** cases are with our legal team for prosecution

**5** relate to the use of a stolen badge

**1** relates to fraudulent parking appeals

### 4 Cautions were administered by the CAFT in Quarter three

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.

### Noteworthy Concessionary Travel Cases

**Case 1** – Ms J was previously a full-time live-in carer, when the person she cared for passed away in the latter part of 2021, they bequeathed their vehicle to her. Inside the vehicle Ms J found the blue badge which she subsequently was found to be using when CAFT officers observed it on her vehicle. She was interviewed under caution in relation to this and gave an explanation that she was only using the deceased persons badge to park while she was collecting another genuine badge holder so she could then display their badge instead. Due to discrepancies in her story her explanation was not accepted, and the matter was put forward for prosecution. She was convicted under the Wrongful use of a disabled persons badge contrary to Section 117(1A) of Road Traffic Act 1984 and sentenced to a fine of £276, Victim Surcharge of £34 and ordered to pay costs of £300.

The Tenancy Fraud team prevent, identify, investigate, deter, and sanction persons that commit Tenancy Fraud in Barnet, ensuring a maximum return of properties back to the Council and Social Housing Partners where Tenancy Fraud has been proven.

There have been **170** cases dealt with in **Quarter three** of 2022-23 relating to Tenancy Fraud

**99** cases carried forward from Q2

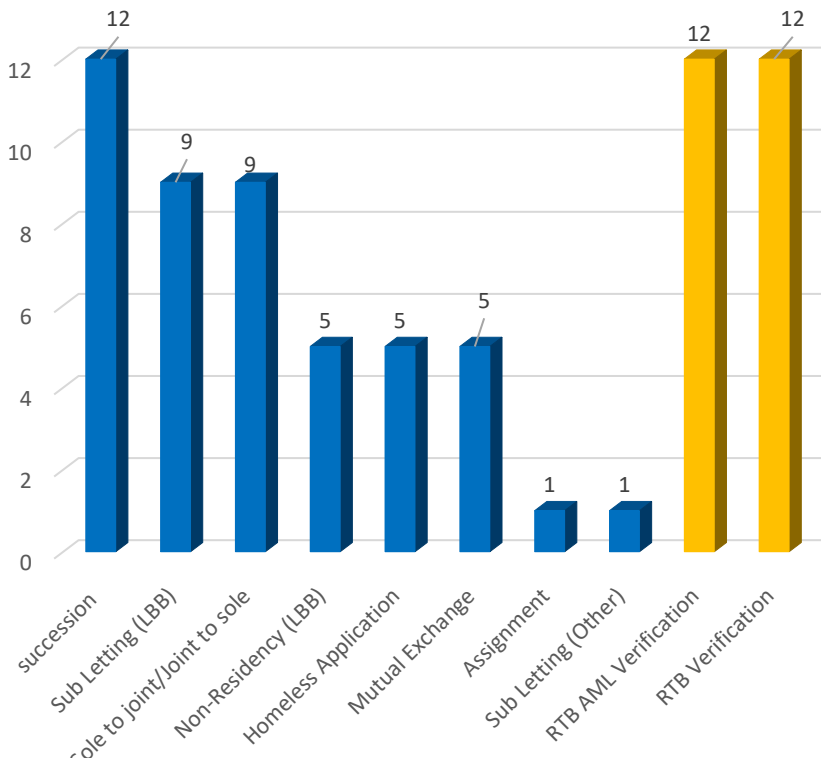
**47** New Fraud referrals received in Q3

**24** Right to buy applications for verification

**74** Cases were closed in Q3

**96** on-going investigations

### New Fraud Referrals / RTB Verification Requests received in Quarter 3



The majority of new fraud referrals related to properties in the area of Colindale with a total of **21.2%** of new cases in that area





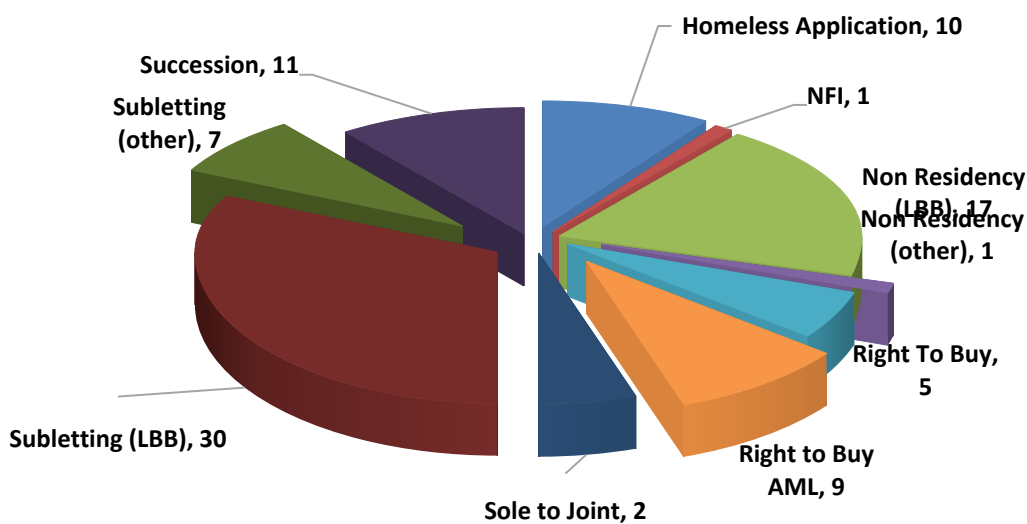
## Closed cases in Quarter 3

- 9 Properties Recovered (Keys Returned)
- 5 Right to Buy Applications cancelled
- 1 Assignment Application denied
- 1 Mutual exchange Application denied
- 1 Succession Application denied
- 17 No Fraud

- 11 Right to Buy Applications Verified
- 25 Applications verified
- 2 RTB AML checks not satisfied
- 1 Sole to joint Application denied
- 1 Insufficient Evidence

## On-going Investigations

### AREAS OF INVESTIGATION FOR ON-GOING CASES



- 30 Subletting (LBB)
- 17 Non-residency (LBB)
- 11 Successions
- 10 Homeless Applications
- 9 RTB AML
- 7 Subletting (other)
- 5 Right to Buy
- 5 Sole to joint tenancy application
- 1 non-residency (other)
- 1 NFI

### 21 Cases are with legal.

11 of which are awaiting civil action.

2 are for both civil and criminal action.

2 prosecution cases for sub-letting.

1 prosecution for a false housing application

5 possession orders granted by the court awaiting eviction dates.

As a result of CAFT investigations 5 Right to Buy applications were stopped resulting in the properties being retained in council housing stock. Had the purchases been allowed to continue, LB Barnet would have offered a discount of £116,200 on each property. This equates to the authority retaining an asset value of **£581,000**.

9 properties (4 x 1 bed, 3 x 2 bed and 2 x 3 bed) were recovered during Quarter three. This equates to a saving in temporary accommodation costs of **£224,331**.

1 on-going investigation has had the property recovered in quarter 3 and is awaiting further action in court.

## Noteworthy Tenancy Fraud Cases

**Case 1** – Mr R had a one-bedroom flat in Barnet, a CAFT investigation started due to an anonymous referral stating the tenant was sub-letting his social housing property to a friend. The following investigation and evidence found the tenant had been living with his partner in Colindale for at least 9 months. The tenant was interviewed under caution, despite the strong evidence placing him at his partners he denied any offences, however returned the keys and the property was recovered.

**Case 2** – Miss B had a two-bedroom flat in Colindale, the investigation started due to a referral received from Barnet Homes, they stated there had been a fire at the block of the social housing tenancy and they had not been able to make contact with the tenant. The following investigation and evidence obtained showed the tenant had been abroad for some time and has admitted to being in Qatar, although the evidence obtained also shows she was sub-letting, due to the fact she is abroad we are unable to prosecute, the tenant did return the keys and the property was recovered.

**Case 3** – Mr T had a one-bedroom flat in Edgware, the investigation started following a referral received from a housing officer of Barnet Homes, they were unable to gain access to the property despite a number of letters and telephone calls regarding a gas safety check, therefore suspected the tenant was not resident. The following investigation found that the tenant was in prison and had been sentenced to 3 years, the tenant was contacted and indicated he would not be returning the property. A Termination of Tenancy form was sent to the tenant in prison which he signed and returned which ended his tenancy, the locks were changed, and the property was recovered.

**Case 4** - Mr O had a two-bedroom flat in Colindale, a CAFT investigation started due to a referral received from the neighbour of the property stating the tenant was not resident and sub-letting to others, initial checks showed this was a Habinteg Housing Association Property. The resulting investigation and evidence found the tenant had flown to Ghana on 16 February 2018 and not returned to the UK, further evidence showed that two other people were living in the property as sub-tenants. A Notice to Quit and Notice Seeking Possession were served at the tenancy address. The keys for the property were returned anonymously and the property was recovered. Due to the tenant being abroad there was no realistic prospect of prosecution.

**Case 5** – Mr N had a three-bedroom property in Mill Hill, the investigation started due to a referral from Barnet Homes Gas Safety Team, they had forced entry to the social housing property to carry out safety checks as there had been no response from the tenant. The following investigation found that the tenant had passed away in March 2022. The tenant's daughter was contacted and confirmed her father had passed away and returned the keys to the property, a peaceful possession was carried out and the property has been recovered.

**Case 6** – Miss N had a one-bedroom flat in Barnet, a CAFT investigation started due to a referral received from the neighbour of the tenant. It was alleged the tenant had vacated her social housing property and sub-let to two males. The following investigation and evidence found that the tenant had a tenancy in Slough and had done since 1 February 2021, further evidence showed she was receiving rental payments for the social housing property in Barnet. The tenant admitted not living in the social housing property, however denied sub-letting. The keys were returned, and the social housing property was recovered. Due to the tenants mitigating circumstances it was not in the public interest to prosecute and the recovery of the property was the best outcome.

**Case 7** – Miss B had a one-bedroom flat in Finchley Central, a CAFT investigation started due to a referral received from Barnet Homes Income Collection Team Manager, advising they had spoken to the tenant who had informed them she was in Sri Lanka, however, would be returning to the UK in October 2022. The following investigation and evidence found that the tenant flew to Sri Lanka on 18 March 2022 and in fact would not be returning to the property. The tenant signed a termination of tenancy form, a peaceful possession was carried out and the property has been recovered.

**Case 8** – Miss S had a three-bedroom flat in Colindale, the investigation started due to a referral received from Barnet Homes Income Collection Team, the referral alleged the tenant was sub-letting her social housing property. The following investigation found evidence that sub-letting had taken place and that the tenant had been abroad since April 2021. The matter was taken to civil court where an outright possession order was granted. The eviction took place on 22 November 2022 and the property has been recovered. Due to the tenant being abroad there was no prospect of prosecution.

**Case 9** – Miss S had a two-bedroom flat in Barnet, the investigation started due to a referral received from a housing officer of Barnet Homes, the referral stated they had spoken to the tenant who informed them she was abroad however would be

returning. The following investigation found the tenant had travelled to Iran with her daughter in September 2022 and did not expect to return. A telephone call was received from the tenant's sister to state unfortunately her sister had passed away in Iran and provided a death certificate. The tenant's sister was her next of kin, she returned the keys, and the property was recovered.

# FINANCIAL INVESTIGATIONS (FI)

A Financial Investigation under the Proceeds of Crime Act 2002 (POCA) ensures that any person(s) subject to a criminal investigation by Barnet do not profit from their criminal actions.

There have been **12** cases dealt with in **Quarter three** of 2022-23 relating to financial investigation

**12** cases carried forward from Q2

**0** New FI Cases opened in quarter 3

**2** FI cases closed in quarter 3

**10** on-going FI investigations

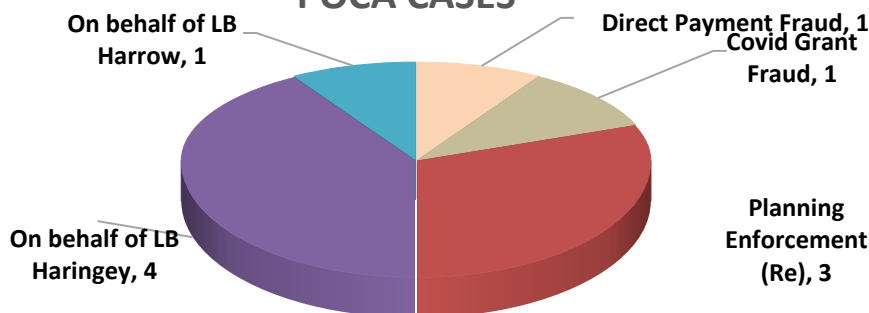
## Closed cases in quarter three

**1** Insufficient Assets

**1** Proceeds Recovered

## On-going investigations

### AREAS OF INVESTIGATION FOR ON-GOING POCA CASES



- 4 On behalf of LB Haringey
- 3 Planning Enforcement (Re)
- 1 On behalf of LB Harrow
- 1 Covid Grant Fraud
- 1 Direct Payment Fraud

Under the Governments incentivisation scheme funds confiscated from criminals is shared as follows:

- 50% is allocated to the Treasury
- 12.5% is allocated to the courts

- **30% is allocated to LBB as the investigating authority**

- From this allocation, **7.5%** is taken by the Asset Recovery Agency (ARA) for the administration of the funds

In addition to this scheme and in relation to the 30%, CAFT have local agreements in place with Re and also other Local Authorities with regard to each investigation, therefore some of this share is split further dependent on the agreement in place. For POCA cases relating to LBB services the full 30% share is retained after the deduction of the Asset Recovery Agency's administration costs.

**Under this scheme, the total allocation amount received from the ARA after relevant deductions this quarter amounts to £357,806.53. £63,901.02 of this is to be paid to other local authorities as per MOUs. LBB to retain £293,905.51.** These amounts are part recoveries of two planning cases from Haringey Council and two Barnet planning cases. The details of these cases will be reported once the financial recoveries are completed.