

Corporate Anti-Fraud Team (CAFT) Annual Report: 1 April 2022 – 31 March 2023

EXECUTIVE SUMMARY

This report is to provide a summary on the outcome of all CAFT work undertaken between 1 April 2022 and 31 March 2023, 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 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 CAFT is made up of four specialist investigation teams: The Corporate fraud Team, The Concessionary Travel Fraud Team, The Tenancy Fraud Team and the Financial Fraud Team (Proceeds of Crime)

The **Corporate Fraud Team** investigated **102** cases of alleged fraud. These investigations resulted in **5** cases being referred for disciplinary action, and **19** cases resulting in civil recovery action (**9** of these cases related to the Council Tax Support scheme with **£30,672.69** being identified for recovery and **10** cases relating to Council Tax Single Person Discounts with **£17,902.98** being identified for recovery). **2** Administrative Penalties were issued totalling **£1,436.09** relating to Council Tax Support Offences. There were **4** cases where Council applications were denied resulting in Council savings of **£46,674.04**, which related to 3 Covid Omicron Grants and 1 Insurance claim, and **1** case was concluded where a Council service was refused due to the CAFT investigation which related to Direct Payments.

The **Concessionary Travel Fraud Team** has investigated **247** cases relating to alleged Blue Badge misuse, fraudulent appeals for penalty charge notices (PCNs) and alleged parking permit fraud. These resulted in **13** successful criminal prosecutions, **50** Simple Cautions being administered, and **41** official warning letters being issued.

The **Tenancy Fraud Team** investigated **525** cases. **303** new referrals were received, **91** of these related to alleged Tenancy fraud, (**47** of these referrals were received from Barnet Homes with **3** cases relating to Open Door Homes properties). Over the course of the year the team were responsible for recovering **34** properties with an additional **4** properties being recovered where legal proceedings are on-going, this is an increase of **171%** from last year, where 14 properties were recovered. **15** Right to Buy applications were denied due to the applicants not being eligible to purchase the property under the scheme. In addition to this, Tenancy fraud officers prevented **20** new applications from proceeding due to the applicant not being resident at the property or where circumstances were established where they were not entitled to these services, this is a **100%** increase from last year (10 applications denied in 2021/22). The applications that were denied related to Assignment (3), succession (4), joint to sole (6), and mutual exchange (2) and Homeless Applications (5).

There have been **16 Financial Investigations under the Proceeds of Crime Act** carried out this year. **9** of these are on-going and recovery of confiscation orders continues. **2** cases were closed due to insufficient assets being available to continue, **1** case was closed due to insufficient evidence and **4** were closed as proceeds of crime recovered.

In addition to the specialist investigative role, CAFT continue to provide advice and support to every aspect of the organisation including its partners and contractors in relation to matters of fraud. This advice varies between fraud risk, fraud 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.

<p>Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).</p>	<p>0 this year This statistic is reported for information purposes in accordance with our policy and statistical return to the Office of Surveillance Commissioners.</p>
<p>Number of referrals received under the council's whistleblowing policy.</p> <p>In addition to this; -</p> <ul style="list-style-type: none"> • The WB hot line received 6 calls – most of which were fraud referrals passed to CAFT to investigate, one to another dept. • The WB email address received details of 21 different matters – none of which were WB but passed either to CAFT to investigate, or relevant dept or agency such as DWP/Police/Action Fraud/Care Quality etc) 	<p>1 this year – review underway <i>details of any WB matters will only be reported as appropriate on conclusion.</i></p>

National Fraud Initiative data matching exercises

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. All local Authorities have a statutory duty to take part in this national exercise and as a result Barnet submitted a number of data sets to the Cabinet Office for matching against other public-sector data sets. In February 2023 this matching process returned **99** separate reports containing a total of **9,514** matches to Barnet

The process of working through these matches is that some are given out to the relevant service areas to update their systems with any potential anomalies, and some are dealt with within the CAFT team, for example Housing Tenancy matches, Blue Badge matches and any that relate to internal Fraud such as Payroll and Procurement matches. This work is still in progress. The Cabinet Office allows 18 months for the exercise to be completed with results being compiled and reported every 6 months.

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 offences that they identified during a number of street-based operations that were carried out.

Resident information Stalls were set up in Brent Cross Shopping Centre, Broadwalk Shopping Centre, and the West Hendon Community Hub where residents were able to engage with CAFT Officers and learn about the work of the team. This was also an opportunity for residents to provide intelligence and make fraud referrals to the Officers. CAFT were also 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 towards how and where to report fraud. During the street Operations, **3** fly-tipping offences were identified and reported to CST colleagues

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





Tenancy Audit Visits

385 Social Housing Properties were Identified as requiring a formal Tenancy Audit visit.;

198 Tenancy Audit Checks were fully completed **17** Cases were identified for further investigation

187 properties visited failed to contact the tenant so further visits will be conducted

Leaflets were also posted in Social Housing properties advising how to report tenancy fraud

CORPORATE FRAUD

There have been **102** cases dealt with in 2022-23 relating to Fraud against services provided by the Council or within Service Areas

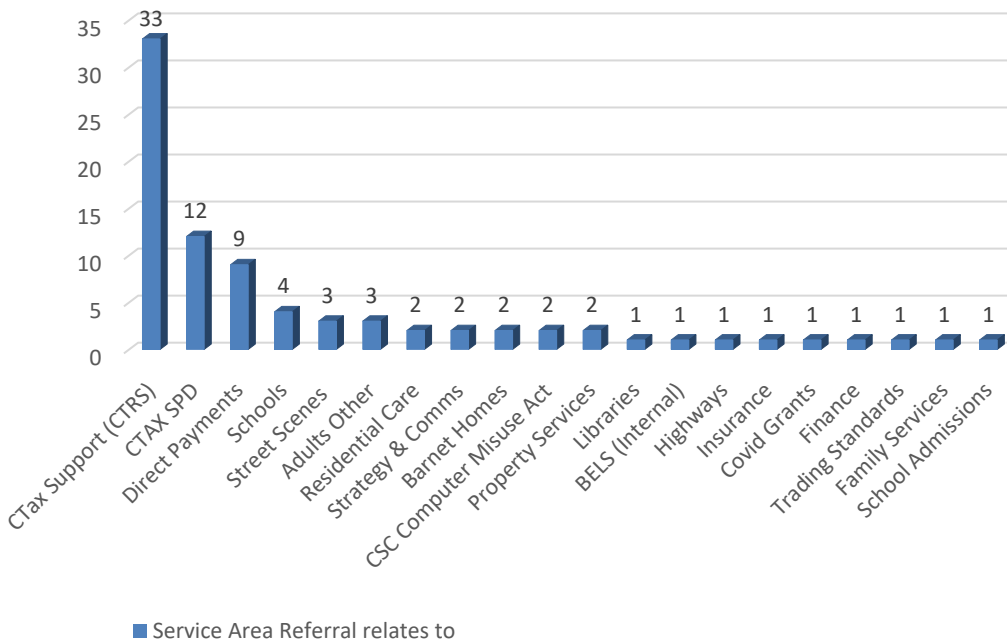
19 cases carried forward from 2021-22

83 New referrals received in 2022-23

63 cases were closed

39 on-going investigations

New Referrals received in 2022-23



This graph shows how the distribution of new fraud referrals has crossed a wide variety of Council services this year.

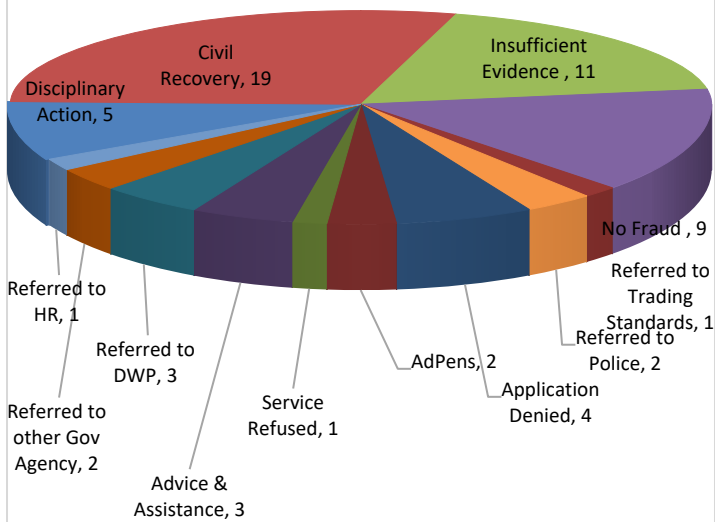
There has been an increase in referrals relating to staff employed by LBB who are also employed or conducting business elsewhere with **7** cases relating to this across different service areas

54% of new referrals related to Council Tax fraud.

Closed cases in 2022-23



CASE OUTCOMES



19 Civil Recovery

- 10 Single Person discounts (SPD) removed from Council Tax accounts resulting in **£17,902.98** to be recovered
- 9 relate to Council Tax Reduction Scheme (CTRS) **£30,672.69** identified for recovery

5 Disciplinary Action

4 Applications Denied



2 Administrative Penalties £1,436.09 *see noteworthy cases



1 Service refused

11 Insufficient Evidence

9 No Fraud

3 Advice & Assistance

3 Referred to DWP

2 Referred to other Government Agency

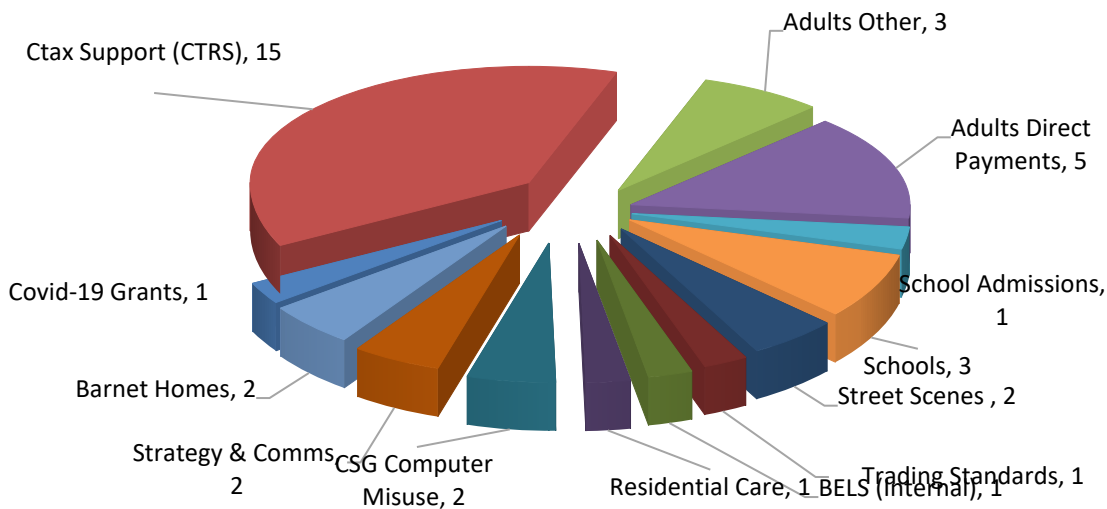
2 Referred to Police (following recovery of £24,656)

1 Referred to Trading Standards

1 Referred to HR

On-going investigations

AREAS OF INVESTIGATION FOR ON-GOING CASES



- 15 Council Tax (CTRS)
- 5 Adults Direct Payments
- 3 Adults Other
- 3 Schools
- 2 Street Scenes
- 2 CSG (Computer Misuse)
- 2 Strategy & Comms
- 2 Barnet Homes
- 1 BELS (internal)
- 1 Covid-19 Grants
- 1 School Admissions
- 1 Trading Standards
- 1 Residential Care

3 cases are currently with our legal team awaiting prosecution

1 relates to Direct Payment Fraud

1 relates school admissions fraud

1 relates to CTRS offences

National Fraud Initiative (NFI)

The National Fraud Initiative (NFI) is a data-matching exercise currently conducted for the sole purpose of detecting and preventing fraud at large. It is operated by the Cabinet Office under its statutory data matching powers set out in the Local Audit and Accountability Act 2014 (the 2014 Act)

After submitting a number of required data sets to the Cabinet Office in October and November 2022, Barnet council received **99** separate reports containing a total of **9,514** matches.

These matches will be worked on by a number of departments across the council in conjunction with officers from the CAFT. The results of these assessments and any subsequent investigations will be reported in the CAFT quarterly reports over the next 18 months

Noteworthy Corporate Cases

Case 1 – An anonymous referral had been received alleging that a Council member of staff had been using a London Borough of Barnet caged vehicle for personal use to dispose of waste from his own property outside of working hours. Witness statements and vehicle tracking evidence was obtained confirming that a member of Street Scenes had used an LBB vehicle and taken it to his home address. Photographs show waste being loaded on to the van. The employees Manager had not given him permission and had advised on a previous occasion that he could not use the vehicle for such purposes. He was interviewed under caution for an offence of Taking without Consent, contrary to the Theft Act. He gave a prepared statement advising that another Supervisor had allowed him to use the vehicle. The Supervisor was also interviewed and admitted allowing him to 'borrow' the van to move house. Due to this, the criminal case could not be pursued, however the case was passed to the service to commence disciplinary proceedings against both members of staff. Taking a vehicle and using it for personal use is against Council Policy and has financial, reputational and insurance implications. Recommendations have been submitted to the service in order to tighten up the process of using work vehicles.

Case 2 – Mr A was receiving Council Tax Support due to being in receipt of a low income. The benefits team had highlighted that Mr A had a second income that he had failed to declare. An investigation commenced for a failure to promptly notify the Council of this change. This resulted in an overpayment of council tax support of **£872.18**. CAFT issued an Administrative Penalty to Mr A resulting in him paying a penalty amount of **£436.09** as well as the overpaid council tax support. A further case similar to the above was concluded with an Administrative Penalty being issued amounting to **£1,000**.

Case 3 – CAFT commenced an investigation following a referral from the adult's finance department. The Council had become victim to a mandate Fraud where the suspect had intercepted emails and requested a change of bank details for a supplier (care home). All of the due diligence checks were carried out but this was a sophisticated fraud involving them taking on the identity of the care home and **£24,656** was paid out as a result. CAFT identified the bank account where the funds were paid and took steps to recover the money after the bank had highlighted the transaction as suspicious. The evidence gathered by CAFT was referred to the banks fraud team and the Police to commence criminal action against the fraudsters who had supplied false addresses to open the account. There was no loss to Barnet due to the funds being recovered by CAFT.

Case 4 – A referral was received from a member of the public alleging that an LBB member of staff had been collecting construction waste for builders in exchange for cash payments. The member of the public had asked the employee how much it would cost to take a cabinet of his (thinking that the Council would charge for the service) and the member of staff had allegedly confirmed he would take the waste for £70, when questioned that this amount differed to the council website he allegedly told him that the Council would take weeks. He provided his mobile telephone number to the member of the public in case he changed his mind. This was reported to the Street Scenes Service and the Fraud Team were alerted. Photographs were taken of the employee loading waste from within a private property boundary into his van, although his job role was to collect fly tips. This property was also off his normal route. Witness statements and other evidence was collated, and the employee was interviewed under caution. He denied collecting waste for money and had claimed that he thought the rubbish behind the garden wall was a fly tip from the public pavement. He had claimed to have not spoken with the person who made the allegation, although he confirmed that he had his telephone number. Other evidence showed that the amount of waste he was disposing of was in excess of his usual scheduled work routine. The case was referred to the service to commence disciplinary proceedings. The employee had resigned during this process.

Case 5 – 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 **9 SPD** investigations this year similar to those above resulting in the removal of a single person discount identifying an amount of **£16,529.43** which is in the process of being recovered.

CONCESSIONARY TRAVEL FRAUD

This section details the investigation of Blue Badge Misuse, 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 **247** cases dealt with in 2022-23 relating to Concessionary Travel Fraud

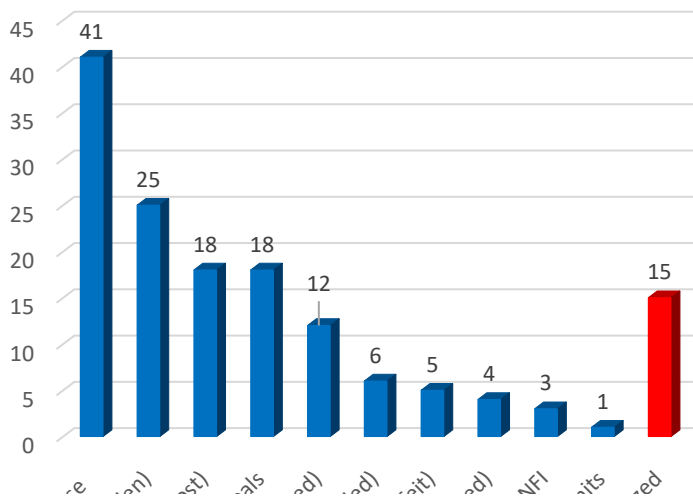
114 cases carried forward from 2021-22

133 New referrals received in 2022-23

199 cases were closed in 2022-23

48 on-going investigations

New Referrals received in 2022-23

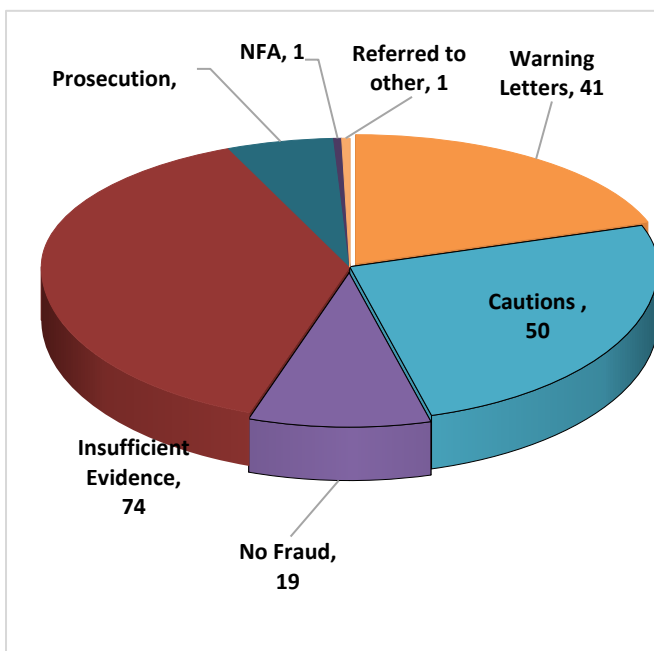


The highest number of referrals related to blue badge misuse / fraud in the area of **Golders Green** with this accounting for **17.2%** of all new referrals received this year. The next highest areas of misuse occurred in **Finchley Church End** with **15%** of new cases in this area


36% of all new cases related to the use of **lost, stolen and counterfeit** blue badges

Hendon has been identified as an area of concern with the highest use of **stolen** badges across the Borough

Closed cases in 2022-23



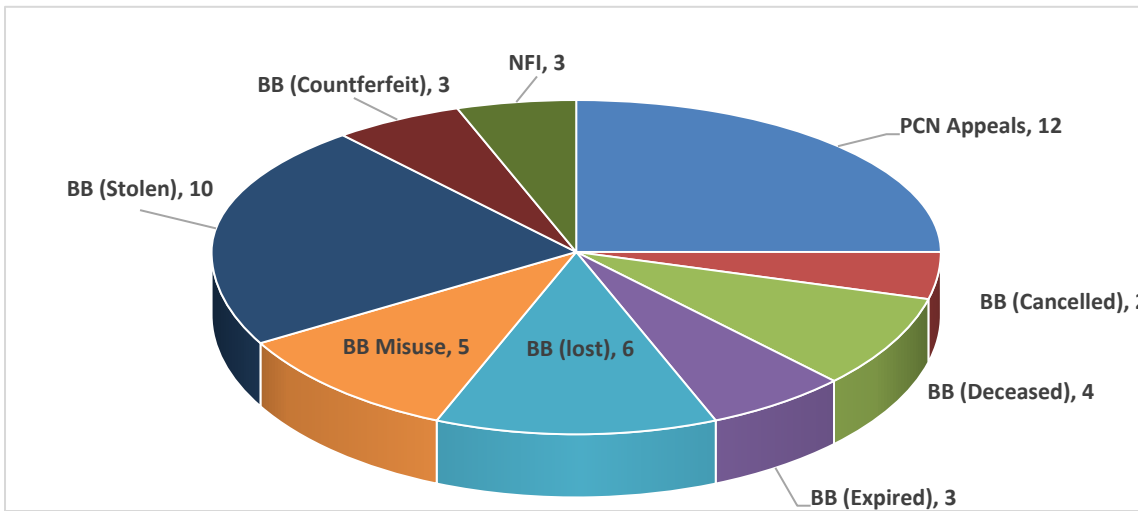
Outcomes

- 13** Prosecutions  (costs recovered £8,680.26) (Court fines issued £5,393)
- 50** Cautions  (total costs recovered £1,229.35)
- 41** 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

- 74** Insufficient Evidence
- 19** No Fraud
- 1** NFA (not in public interest)
- 1** referred to another Borough

On-going Investigations



2 cases are with our legal team for prosecution

1 relates to the use of a deceased person's badge

1 relates to the use of a stolen badge

National Fraud Initiative (NFI)

Reports relating to **Concessionary Travel** in the current NFI exercise identified **976** matches such as blue badges where the badge holder is deceased or where they hold more than one blue badge.

All cases relating to deceased badge holders have been cancelled on the system and those relating to more than one blue badge being held are being investigated.

50 Simple Cautions were administered by the CAFT in 2022-23

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 – relates to the use of a stolen disabled badge. The offender admitted to the misuse during an interview after initially denying any wrongdoing at the roadside. The offender attended court where she pleaded “not Guilty” to the offence and the matter went to trial. During the trial she gave yet another version of events but was found guilty by the magistrate and was sentenced to a fine of £670, ordered to pay costs of £1,500 and a victim surcharge of £67.

Case 2 - Mr R had made numerous appeals between 22nd May 2019 and 4th July 2022 in relation to PCN's (Penalty Charge Notices) that had been placed on his work vehicle. His appeals would each time state that he was making a delivery in connection with his business at an address in the road where the PCN was issued, and he would produce delivery notes to support his appeals. Investigations confirmed that none of the alleged deliveries had taken place and that the supporting documentation had been produced by Mr R Solely for the purpose of having the penalty charge cancelled. Mr R was interviewed by CAFT officers and admitted to his wrong doing. Mr R was prosecuted for Fraud by False representation contrary to Section 2 Fraud Act 2006 and with Making or supplying articles for use in fraud contrary to section 7 of the same act. He was sentenced to pay £1,200 in compensation, £500 towards costs and a fine of £448

Case 3 – A vehicle was observed by CAFT officers displaying a disabled persons Blue badge however, when checked, it was confirmed that the badge had been reported as “stolen” by the badge holder. The driver returned to the vehicle and was spoken to by officers who then seized the badge. The driver was subsequently interviewed under caution and stated that she had found the badge near to her place of employment and had gone on to use it for her own benefit. She stated she had been ignorant by using it and didn’t realise that it was such a serious offence. The offender was prosecuted for the offence of misusing a disabled badge contrary to the Road Traffic Regulation Act 1984. She pleaded guilty by post and was sentenced to a fine of £530, ordered to pay costs of £776.99 and a victim surcharge of £213.

Case 4 – A vehicle was observed by CAFT officers in Mill Hill during an on-street operation, checks on the Badge being displayed confirmed it as being reported “stolen” by the badge holder. No driver was identified at the time, so an investigation was carried out to confirm the registered keeper Who was then invited to attend an interview under caution. During the interview the vehicle owner stated he was given the badge to use by an acquaintance, so he took the opportunity to use it outside of his home and to park near public transport links. He was prosecuted for the offence of misusing a disabled badge contrary to the Road Traffic Regulation Act 1984. He pleaded guilty and was sentenced to a fine of £880, ordered to pay costs of £930.13 and a victim surcharge of £352.

Case 5 – An anonymous referral was received giving details of a vehicle and its location, where a blue badge was believed to be being used illegally. The location of the suspects work address was also given, which was on the same road. A visit to the location by CAFT officers identified the vehicle with the badge on display., System checks on the badge confirmed that it had a status of “stolen” on the blue badge database. Following up on the information given in the referral, CAFT officers were able to locate the driver of the vehicle, who worked in a nearby shop., She was cautioned, and the badge was seized. During a formal interview under caution, she stated someone she gave a lift to had left the badge in her car and after researching what it could be used for, she took the decision to use it for her own benefit to park close to her place of work. The offender was prosecuted for the offence of misusing a disabled badge contrary to the Road Traffic Regulation Act 1984. She, pleaded guilty and was sentenced to a fine of £200, ordered to pay costs of £500 and a victim surcharge of £80.

In addition to the above there were **8** other cases that were prosecuted under similar circumstances which resulted in similar outcomes

TENANCY FRAUD

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.

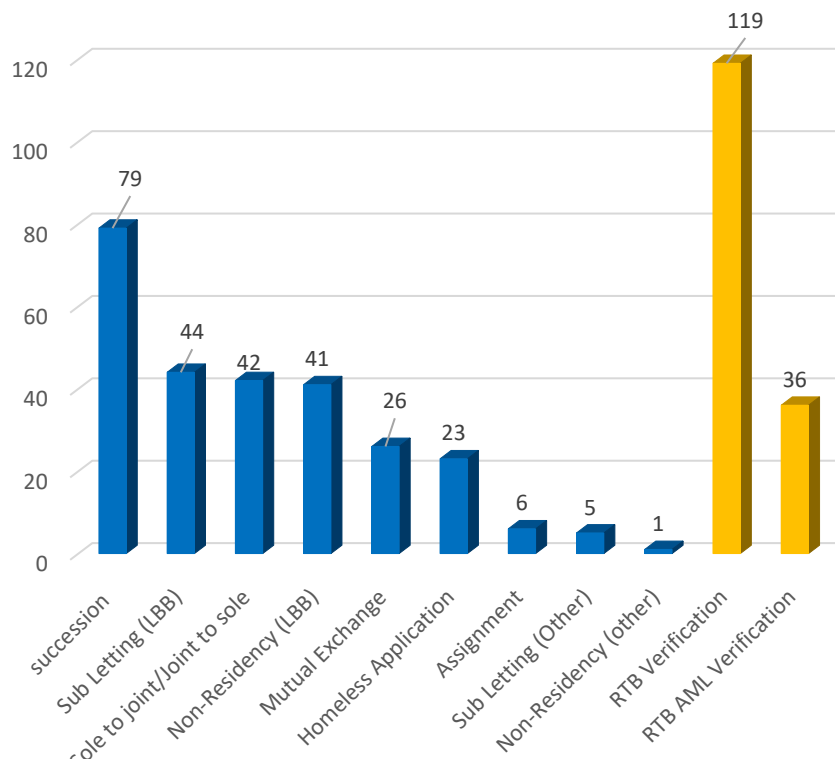
There have been **525** cases dealt with in 2022-23 relating to Tenancy Fraud

103 cases carried forward from 2021-22 **303** New Fraud referrals received in 2022-23

119 Right to buy applications for verification

420 Cases were closed in 2022-23 **105** on-going investigations

New Fraud Referrals / RTB Verification Requests received in 2022-23



The majority of new tenancy fraud referrals related to properties in North and South Colindale wards with a total of **15.3%** of new cases in those areas.

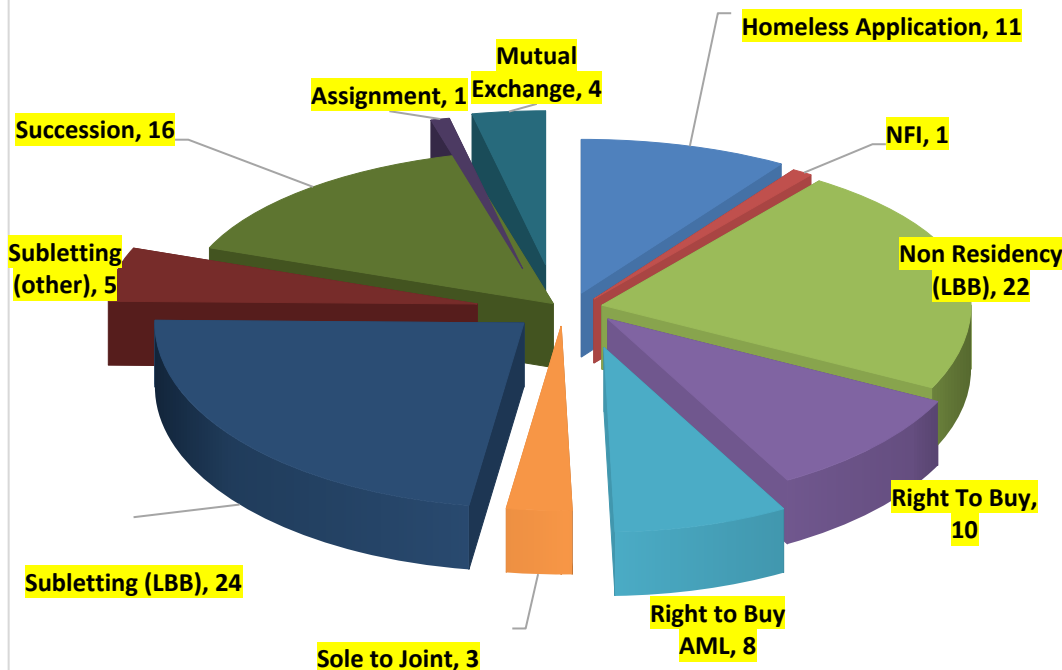


Closed cases in 2022-23

- 26** Properties Recovered (Keys Returned)
- 7** Properties Recovered (Civil Recovery) (Court Costs £2,547)
- 1** Prosecution (including property recovery) (Compensation £1,595)
- 15** RTB Application Cancelled
- 1** Not in Public Interest
- 132** Applications verified
- 3** Assignment Application denied
- 2** Mutual exchange Application denied.
- 4** Succession Application denied.
- 110** Right to Buy Applications Verified
- 5** Homeless Application denied
- 12** RTB AML checks not satisfied.
- 6** Sole to joint Application denied.
- 1** Referred to DWP
- 19** Insufficient Evidence
- 76** No Fraud identified (**33** relate to AML checks)

On-going Investigations

AREAS OF INVESTIGATION FOR ON-GOING CASES



- 24 Subletting (LBB)
- 22 Non-residency (LBB)
- 16 Successions
- 11 Homeless Applications
- 10 Right to Buy
- 8 RTB AML
- 4 Mutual Exchange
- 5 Subletting (other)
- 2 Sole to joint tenancy application
- 1 NFI
- 1 Assignment

As a result of CAFT investigations **15** 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 **£1,743,000**.

34 properties (1 Studio, 13 x 1 bed, 10 x 2 bed, 9 x 3 bed and 1 4 bed) were recovered during 2022-23. This equates to a saving in temporary accommodation costs of **£1,011,663**.
A further **4** properties were recovered where legal proceedings are on-going.

22 Cases are with legal.
11 of which are awaiting civil action.
2 are for both civil and criminal action.
4 prosecution cases for sub-letting.
1 prosecution for a false housing application
4 possession orders granted by the court awaiting eviction dates.

Noteworthy Tenancy Fraud Cases

Case 1 – From Q1 - Mr M had a two-bedroom flat in Barnet, an investigation started due to a succession application made by Mr M. On this application he stated he was the partner/carer of the deceased tenant. The resulting CAFT investigation found that Mr M was the lodger/carer not the partner. The case was referred to legal for civil proceedings where a possession order was granted on 23 December 2021, an eviction was carried out on 4 May 2022. There was not enough evidence to consider criminal proceedings and therefore the recovery of the property is the best outcome.

Case 2 – From Q1 - Mr G had a three-bedroom house in Barnet, an investigation started due to a referral from Barnet Council's Missing in Education department, this stated they had received information from the school of the tenant's children stating they had moved to Romania. Evidence obtained following the investigation found that the family had travelled to Romania on 1 August 2021, there were no return flights booked showing there was no intention to return. Further evidence showed the tenants brother was financially linked to the social housing property. A Notice Seeking Possession Order was served, the tenant received this and flew back to the UK to be interviewed under caution where he denied sub-letting the property to his brother. However, did admit travelling to Romania and not informing Barnet Homes. The tenant returned the keys, and the property was recovered. Due to the tenant still living in Romania there is no prospect of a prosecution.

Case 3 – From Q1 - Mr S rented a three-bedroom house in Barnet, a CAFT investigation started following an allegation that the succession application Mr S provided was false and had not lived in the property for the prescribed 12 months to allow him to succeed from his father who had passed away. Evidence obtained during the investigation found the applicant had a private tenancy elsewhere and had not been living at the tenancy address. Mr S attended an interview under caution where he denied completing a false application, he claimed that although he did have a private tenancy elsewhere, he had never moved in. The matter was passed to legal for civil and criminal proceedings, Mr S returned the keys to the social housing property two days before the civil hearing and their property was recovered. On the day of the criminal trial, he changed his plea to guilty under the Fraud Act 2006, he was sentenced to 150 hours unpaid work, the court was informed Mr S had savings of over £30,000, however was ordered to pay compensation of £1595.

Case 4 – From Q2 - Ms B had a two-bedroom flat in East Finchley, a CAFT investigation was started due to a referral received from a Barnet Homes Housing Officer, they had received information from a neighbour of tenant stating she was not resident and was allowing her son to live at the property. The resulting investigation found that the tenant had been living in the Islington area for at least 12 months. The tenant was interviewed under caution where she at first denied the allegation, however when showed the evidence she admitted she had been living with her mother in Islington. There was no evidence of sub-letting, therefore no prospect of a prosecution. The tenant returned the keys, and the property was recovered.

Case 5 – From Q2 - Mr M had a two-bedroom house in Mill Hill. The investigation started due to a succession application received by the London Borough of Barnet. The applicant wished to succeed the tenancy to his father's property. Evidence obtained following the investigation suggested the applicant was in fact living in Birmingham and not eligible to succeed the tenancy. The applicant was asked to attend an interview under caution, however once disclosure had been given to his solicitor the keys were returned and the property recovered. Prosecution has been considered; however, the applicant had stated on the form he lived at both properties and therefore difficult to prove he has made a false representation. With this in mind the recovery of the property was the best outcome.

Case 6 – From Q2 - Mr H had a one-bedroom flat in Colindale, an investigation started due to a referral received from Barnet Council's Gas Safety Team. They stated despite writing to the tenant and carrying out numerous visits there was never any reply and were unable to gain entry. Therefore, a forced entry took place, the locks were changed, and a notice was put on the door for the tenant to contact Barnet Homes to collect the keys, however they had not received any contact from him, and the property remained empty. The resulting CAFT investigation found that the tenant was living in Sheffield and had been for 9 months. The tenant was written to at his new address requesting he relinquish the tenancy; he signed and returned a Notice of Termination of Tenancy form and the property was recovered. Prosecution was considered, however due to a number of mitigating circumstances it was felt it was not in the public interest and the recovery of the property was the best outcome.

Case 7 – From Q3 - 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 8 – From Q3 - 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 9 – From Q3 - 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 10 – From Q4 - Ms D had a four-bedroom house in Finchley Central, a CAFT investigation started due to a referral received from a housing officer of Barnet Homes. The referral stated they had been unable to make contact with the tenant for some time, when they conducted a visit, a non-dependant was there and wanted Barnet Homes to make an appointment to see the tenant, the allegation suggested that the tenant was not resident and was sub-letting to a family member. The investigation identified evidence confirming that the tenant had been living abroad since 4 January 2020 and allowing her family members to reside in the social housing property. The matter went to civil court where an outright possession order was granted, the eviction took place and the property was recovered.

Case 11 – From Q4 - Ms I had a three-bedroom house in East Finchley, an investigation was started by CAFT due to a Mutual Exchange application received from Barnet Homes. The following verification checks showed that the tenant's husband held a mortgage at a property in Milton Keynes. The investigation found evidence that the tenant was living at the property in Milton Keynes. The tenant was interviewed where she claimed to live in both properties. However once notices were served the keys were handed back and the property was recovered.

Case 12 – from Q4 - Miss N had a three-bedroom flat in East Finchley, a CAFT investigation started following a referral received from the caretaker of the tenancy address. He stated he had spoken to the daughter of the tenant who had said she was picking up post for her mother, the caretaker believed the tenant was not resident and other people were living there. The following investigation and evidence obtained found the tenant had been living elsewhere for a number of years, the evidence also suggested the property had been sub-let, however there was insufficient evidence to take the matter for criminal prosecution, However, the tenant returned the keys before the matter was dealt with via the civil courts 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 **16** cases dealt with in 2022-23 relating to financial investigation

12 cases carried forward from 2021-22

4 New FI Cases opened in 2022-23

7 FI cases closed in 2022-23

9 on-going FI investigations

Closed cases in 2022-23

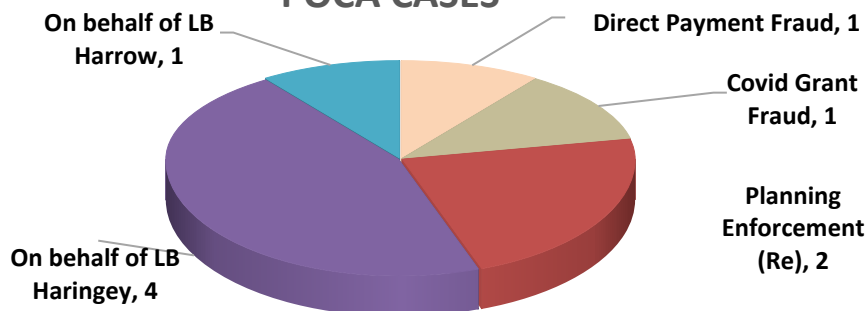
4 Proceeds Recovered  *see noteworthy cases

2 Insufficient Assets

1 Insufficient evidence

On-going investigations

AREAS OF INVESTIGATION FOR ON-GOING POCA CASES



4 On behalf of LB Haringey
2 Planning Enforcement
1 On behalf of LB Harrow
1 Covid Grant Fraud
1 Direct Payment Fraud

Under the Government's 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 had local agreements in place with Re and 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 year amounts to **£422,178.26**. £68,426.16 of this is to be paid to other local authorities as per MOUs. LBB to retain **£353,752.10**. These amounts are part recoveries of planning cases from Haringey Council and Barnet planning cases. The details of these cases will be reported once the financial recoveries are completed.

Noteworthy Financial Cases:

Op Kukri relates to partnership working with the London Borough of Haringey's planning department. The defendant had failed to comply with the requirements of a planning enforcement notice at two properties to which he owned. At both addresses the defendant unlawfully converted the properties into self-contained flats. The defendant attended Wood Green Crown Court where he pleaded guilty to both charges. The proceeding financial investigation found that the defendant had received approximately £119,000 in rent derived from the proceeds of his crime. On 15th September 2021 the Crown Court made a Confiscation order in the sum of **£100,000**, the defendant was fined £12,000 and ordered to pay costs of £4,500.

- **Op Kukri:** confiscation order amount £100,000 (37.5% split = £37,500 – 7.5% top slice (Administration) = £34,687.50 Under the POCA joint working agreement with Haringey, 10% of the confiscation order amount awarded is retained by LBB plus the costs to carry out the investigation = £10,400 for LBB and £24,287.50 for Haringey

Op Real relates to relates to a planning investigation involving the Proceeds of Crime Act for the rental income derived as a result of a breach of a planning enforcement notice whereby the defendant converted a property, he owns into 4 flats which he went on to rent out in order to make a profit without having obtained the correct planning permission for the conversion of the property into individual dwellings. The defendant failed to attend court hearings in relation to the planning enforcement offence and so a warrant was issued for his arrest. The Council had submitted evidence that the offender had absconded and as such commenced proceedings under section 28 of the Proceeds of Crime Act which allows the court to consider confiscation where an offender is neither convicted nor acquitted. The lengthy investigation involved gathering evidence that the offender was absconding criminal proceedings and calculating income derived from the proceeds of crime generated from the renting of the flats. On 12th March 2019 at Harrow Crown Court, the judge found that the criteria were met for making the confiscation order in the absence of the defendant for **£223,751.31** The property was sold, and the confiscation order was paid in full, and the matter was therefore closed this year.

- **Op Real:** confiscation order amount £223,751.31 (37.5% split = £83,906.74 – 7.5% top slice (Administration) = £77,613.74. The confiscation order amount awarded is retained by LBB plus the costs to carry out the investigation.

Op Vantage relates to a planning matter whereby Mr K, the owner of the property converted it into a number of individual dwellings without planning permission and subsequently rented the accommodation it to a number of tenants, charging each of them individually for rent. Mr K was prosecuted for breaching an enforcement notice that had been served on him requiring him to return the property to a single dwelling, a confiscation order was made initially for the sum of £270 , as Mr K relied on a previous unrelated court case of a similar nature to argue that the offence had only been committed for a period of one day, relying on the wording of the summons to support his argument. London Borough of Barnet took the matter to the court of appeal and won, resulting in a new confiscation hearing taking place, at which the court awarded a new confiscation order to the sum £499,363. Mr K has now paid the confiscation order in full, and the matter was closed this year.

- **Op Vantage:** Confiscation order amount £499,363 (37.5% split = £187,261.13 – 7.5% top slice (Administration) = £172,216.54 to be retained by LBB.