

The FRAUDitor

The council's anti-fraud and corruption newsletter



Finding out more about fraud and error

The council has developed an online fraud awareness training course which provides details of the types of frauds carried out against the council. The course is an eLearning module which is available on the council Learning Hub and will help you:

- Understand what fraud and corruption is and how it impacts upon the Council
- Know what Wolverhampton City Council is doing to tackle it.
- Explore different types of fraud and how they arise
- Know what you can do to help

If you already have specific concerns about fraud, we have two surgeries lined up for March 5 and March 23 between 11 am and 2pm in Interview Room 12 at the top of the stairs leading from the Keepers Desk where you can pop in for a confidential discussion about your concerns.

Inside this Issue

- Fraud costs jobs and services
- Fraud prevention is better and cheaper than detection
- Tackling Fraud at Wolverhampton
- Spotlight on Housing Benefit Fraud
- Where else is fraud occurring?

Fraud costs jobs and services

Fraud in all walks of life is a serious issue. In the public sector fraud impacts on anyone who pays taxes. The more money that the fraudster takes the more other law abiding people have to pay to cover the loss. It is estimated that fraud costs £2.1 billion per year in local government alone.

Every employee of the council can play an important role in prevention, we are the people who have a detailed knowledge of the councils systems and we know where fraudsters could be taking advantage.

In the current economic climate every penny taken by fraudsters is a further threat to jobs and services.

Fraud prevention is better and cheaper than detection

Preventing fraud is much cheaper than detecting it. It occurs where a person alters records, provides false information or abuses their position of power. Generally fraud is difficult to detect because someone has taken steps to hide what they have done.

The fraudster exploits any weaknesses in systems, unfortunately, fraud will never be eliminated but good controls and monitoring are key to preventing it. The council puts in place systems and controls which while delivering services also minimise and protect against the potential impact it can have.

Tackling fraud at Wolverhampton

The council provides numerous services to thousands of customers, while every effort is made to ensure only people who are eligible to receive these services, it can prove to be difficult to control. For example, in some cases customers provide false information, while in other cases a person's circumstances may change but they fail to inform us and continue to receive services to which they are no longer entitled. When fraud prevention is not successful it is necessary to investigate what has gone wrong.

It is recognised nationally that three major areas of fraud against councils are Housing Benefit, Housing Tenancy and Council Tax Discount. At Wolverhampton there are established methods for investigating these types of fraud.

Wolverhampton Homes is responsible for investigating tenancy fraud and since 2010 over 150 homes have been recovered from people who were not eligible to live in the property. This has enabled the properties to be re-allocated to people who have a genuine right to be a tenant.

The Revenues and Benefits Team have processes in place to identify households claiming council tax discounts to which they are not entitled. The most common of these is the 25% discount for single person occupancy. The council carry out exercises which match credit reference agency data to households claiming council tax discounts. The Audit Commissions National Fraud Initiative is another data matching exercise which matches discounts to the Electoral Register. Where a match indicates that more than one person is living at a property the householder is contacted and where appropriate the discount is removed and the falsely claimed discount has to be paid.

Spotlight on Housing Benefit Fraud

The Counter Fraud Team is responsible for investigating instances where people are receiving housing and council tax benefit to which they are not entitled. Typical frauds involve people being dishonest about their financial position in order to obtain benefits or where their original application was made genuinely but they intentionally fail to report a change in their circumstances, for example, they become employed, but they fail to notify the council and continue to receive the benefits.

The team has powers to obtain financial records for individuals suspected of committing benefit fraud. The information obtained enables a picture of a person's financial position to be determined, for example, if they have a job, regular salary payments may appear on their bank account. If the evidence suggests that a person has income or financial resources that they have not declared they will be interviewed. The interview will be under caution, similar to being interviewed by the police.

Where the evidence identifies that a person has fraudulently claimed housing and council tax benefit the council can either issue a caution, an administrative penalty or prosecute in court, depending on the value of the fraud. The objective is to recover the amount claimed and for the individual to receive appropriate punishment.

During 2012/13 the amount of housing and council tax benefit, identified by the council, to have been claimed through fraud or error was almost £800k.

Recent Case

In a recent case someone in receipt of Housing Benefit failed to declare that they part owned a property in Leeds with their daughter. They were successfully prosecuted for an overpayment totalling £8,819 for offences over a four year period and sentenced to a 12 month community order with 80 hours unpaid work and had to pay £250 costs.



Where else is fraud occurring?

No area of the council is immune from fraud. Areas that are susceptible to fraud include:

- Personal budgets
- Procurement
- Payroll
- Electoral
- Insurance
- Welfare assistance
- Business rates
- Blue badges
- Schools
- Grants

We put controls in place to minimise the opportunity of fraud occurring. However, while these controls are usually effective, it is essential that everyone is looking out for any indication that a fraud may be occurring.

I think I've uncovered a fraud – what should I do?

If you suspect that a fraud is being committed – report it immediately. Not only is it wrong, it is denying people access to services and impacting on jobs. Please contact one of the people listed below in confidence and we will look into whatever is concerning you.

Peter Farrow – Head of Audit Services
01902 554460
Email: peter.farrow@wolverhampton.gov.uk

Mark Wilkes – Principal Counter Fraud Officer
01902 554462
Email: mark.wilkes@wolverhampton.gov.uk

Want more information?

Visit the fraud and corruption pages on the council's intranet.

If you have any comments concerning this newsletter, or have any suggestions for future articles, please contact Mark Wilkes.

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