Stroud District Council
Fraud Referral Policy

Background

This policy contributes to the implementation of Stroud District Council's corporate aims of working with others to make the district a better place to live and work, which incorporates the objective to prevent and reduce crime and disorder.

Stroud District Council is committed to the prevention and detection of fraud and error in Housing/Council Tax benefit claims. The Investigation and VF Visiting Team is dedicated to pursuing the Council's policy on prosecution and sanctions for proven fraud. Potential fraudulent claims are often identified within the benefits section and then referred to the Investigation Unit.

Purpose–

The referrals should be of good quality for a number of reasons:-

- They play a key role in preventing and detecting benefit fraud
- They help consolidate Stroud District Council's reputation for rigour in processing claims
- They help give an indication of the types of fraud prevalent in the local area
- They help identify weaknesses in benefit administration and the remedial action necessary
- They assist in the effective use of fraud investigation resources
- They give managers the assurance that:-
  - Verification processes are operating to identify fraud and error
  - Fraud is being identified and referred to the appropriate officers
  - Overpayments of benefit are being identified and recovered

When to make a fraud referral

A fraud referral should be made when there is the suspicion that someone has deliberately or knowingly attempted to obtain benefit to which they are not entitled.

Suspicions may arise because of a variety of reasons. How to identify them will be covered in fraud awareness training sessions and the fraud awareness training packs. A member of the fraud Investigation team will conduct fraud awareness training for new staff as part of the induction process and refresher sessions will take place on an annual basis for all Revenue and Benefit Staff.

It is important to refer cases to the Investigation Team as soon as there is a suspicion that a problem may exist with a claim.

It is also important to let the Investigation Team know of anyone who is claiming benefit who may not be disclosing his or her full circumstances.

How to refer a case for investigation

Delays in referral should be avoided as further offences may be committed. It is important to inform investigators quickly when an alleged fraud has been spotted. Delays may lead to further offences being committed.

A standard fraud referral format is on the Web Site in Revenue and Benefits called REPORT IT. Advice on the information needed is provided in the Fraud Awareness training and as a handout.

Completed forms are sent automatically to the Investigations Manager.

How to complete the fraud referral form

The top of the referral form requires basic information such as who the referral is from, date of the referral, the name and address of the alleged fraudster.

The main and most important part of the form is the reasons why the case has been referred for investigation. This should be completed in depth explaining the full details of the allegation. It is important to establish dates, times, descriptions, who, what, where, why, when and how. It is also important to include all details even those, which may appear irrelevant. Too much information is better than too little.

When dealing with callers wishing to give information anonymously either in person or by telephone, it is vital to ask all the relevant questions.

Types of questions to ask when dealing with anonymous callers:-

If the allegation involves undeclared income or assets:-

- If the person is alleged to be in receipt of undeclared benefits, what allowances are in payment?
- If the person/partner/non-dependant is alleged to be working, where do they work and what time do they leave/return to/from work? It is vital to obtain a description of the person and details of how they get to work. (A description of the vehicle or registration number is always useful.)
- If the person is alleged to receive income from property, what is the address of the property?
- If the person is alleged to receive income from a boarder, what is the name of the boarder, their age, a description of the boarder?
- If the person is alleged to have inherited property, what is the address of the property?
- If the person has inherited capital or has undeclared capital, how much capital and if possible, the Bank/Building society or location of the capital. (Bonds, stocks and shares etc.)

If the allegation involves an undeclared partner or non-dependant:-

- If the person is alleged to be living with a partner or has a non-dependant living in the property, what is their name?
- What is the description of the person alleged to be living with the claimant?
- If the alleged partner/non-dependant is working, where do they work, what time do they leave/return to/from work?

The above lists are not exhaustive and are only meant as a guide. Further examples will be given in Fraud Awareness sessions

The treatment of fraud referrals

Once the Benefits Investigation team receives a referral, it will be risk assessed. A decision will be made based on the evidence provided, within 3 working days, whether an investigation will be commenced. All action will be taken in a fair and equitable manner having particular regard to the Human Rights Act, Race Relations Act and any other legislation or Policies, which may have an impact.

An investigation will be commenced within 5 working days of the referral being accepted. The investigation officer in charge of the case will inform the referring officer of the outcome of the investigation. This will be done as soon as is practicable. The investigation officer will complete an end of investigation report providing all relevant evidence to the Benefit Team.

The Benefit Team, having considered all the evidence provided with the end of investigation report, will inform the investigation officer of any overpayment of Housing and/or Council Tax Benefit. Where fraud is established all notifications and requests for recovery must include the statement that the demand is made, without prejudice to any other action the council may wish to take including criminal proceeding. This protects the council's position but does not impose a course of action.

The monitoring of fraud referrals

Fraud referrals will be monitored on a regular basis in order to ascertain the following:-

- The number of referrals received
- The type of referrals received
- The source of referrals received
- The number of referrals resulting in sanctions including prosecution
- The number of referrals resulting in Weekly Incorrect Benefit being generated
- The number of referrals where no frauds is proven
- The amount and number of overpayments established through fraud investigation
- Referrals that are not suitable for further action and the reason why

Quarterly feedback reports (VF News) as well as a comprehensive annual report will be produced for the Head of Revenues and Benefits and the Benefits and Housing staff on the activities and success of fraud investigations.

The ongoing effective monitoring and analysis of referrals will ensure that investigation resources are targeted to areas identified as being 'high risk'. This will ensure an overall effective fraud prevention and detection strategy.