



**DUNDEE CITY COUNCIL
ANTI FRAUD AND ANTI CORRUPTION POLICY
(DIRECTOR OF CORPORATE SERVICES)**

INDEX

ITEM	PAGE NO
ANTI FRAUD AND ANTI CORRUPTION POLICY	6
EQUALITY IMPACT ASSESSMENT	6
THE REVENUES DIVISION'S VISION STATEMENT	6
PREVENTION	7
The Role of Internal Audit	7
The Role of External Audit	7
The Role of Members	7
The Role of Management	7
Benefit Fraud committed by an employee	7
Impact on employment where an Employee has committed Benefit Fraud	8
Service Level Agreements with Stakeholders	8
Audit Scotland	8
Risk Assessment	8
Land Registry Checks	8
Fraud Awareness	8
Publicity	8
DETERRENCE	9
Repayment	9
Sanction Policy	9
Anti-Money Laundering Policy	9
Detention of individuals	10
Sanctions	10
Administrative Cautions	10
Administrative Penalties	10
Prosecutions	11
One or Two Strikes	11
Sanction Standards	12
Lesser Sanctions	12
Joint Working	12
Fraud Offence History	12

	Sanction Variances	13
DETECTION		13
	Council Plan 2010-2012	13
	Finance Service Plan	13
	Annual Business Plan	13
	Counter-fraud Objectives	13
	Benefit Fraud Message	13
	Test of Fairness	13
	Evidential Test	14
	Public Interest Test	14
	Benefit Fraud Strategy	16
	Risk Assessment	16
	Do Not Redirect	16
	Data Matching	16
	Remote Access to DWP Benefit Data	17
	National Fraud Initiative	17
	Service Level Agreements with external stakeholders	17
	Fraud Hotline	17
	Investigations	17
	Code of Conduct for Investigators	17
	Investigation Targets	17
	Counter Fraud Section	18
	Counter Fraud Section Remit	18
	Counter Fraud Qualifications	18
	How are Fraudsters Caught	18
	Referring a Benefit Fraud Case	18
	Action the Counter Fraud Section Will Take	19
	Fraud Referral Quality Assessment	19
	Multiple Referrals	20
	What Should You Refer	20
	What Sort of Information Should You Include in your Referral	20

	Feedback and Data Protection	20
	Benefit Fraud Offences	21
	Action the Council Will Take Against Benefit Fraudsters	21
	Repeat Offending	21
	Successful Prosecution Possible Repercussions	21
	Proceeds of Crime	21
	Working with the Police	21
	Working with the Department for Work and Pensions (DWP)	22
	Managing Expectations	22
	Interview Under Caution	22
	Involving the Public	23
	Involving Businesses	23
	Training	23
	Publicity	23
	Quarterly Fraud Section Performance Reporting	23

DUNDEE CITY COUNCIL

ANTI FRAUD AND ANTI CORRUPTION POLICY

This policy document sets out Dundee City Council's commitment to the prevention, deterrence and detection of benefit fraud in respect of Housing Benefit and Council Tax Benefit.

Fraud is defined by the Accounts Commission for Scotland as "The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain".

The Council will not tolerate fraud, corruption or abuse of position for personal gain and is committed to protecting public funds by securing our benefit administration through robust working methods and procedures and promoting an environment that actively encourages the highest principles of honesty and integrity

The Council has implemented a programme of counter-fraud activities to prevent, deter, detect, investigate and take action against, perpetrators of benefit fraud.

Our aim is to:

- prevent fraud from entering the system
- detect existing fraud, investigate and, where fraud is found proven, take appropriate action
- deter fraudsters through fraud awareness training, publicity campaigns and complying with the Council's Benefit Sanction Policy (www.dundee.gov.uk/fraud).

Where any benefit fraudulent activity could have implications for Department for Work and Pensions' benefits, the Council is further committed to joint working to take action on **all** benefits in payment while strictly adhering to all relevant legislation.

EQUALITY IMPACT ASSESSMENT

Equality Act 2010 - General duties:

A public authority must in the exercise of its functions have due regard to the need:

- a) to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited
- b) to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

This Anti-fraud and Anti-corruption Policy has been equality impact assessed and no concerns were raised.

THE REVENUES DIVISION'S VISION STATEMENT

The Revenues Division embraces Dundee City Council's aims to treat everyone with fairness, respect and dignity, using care and courtesy when dealing with the public and taking action where there is inequality. Delivering a service that efficiently utilises our resources to provide the highest standards of public service expected by the citizens and at an acceptable cost.

The Council will continue to provide a responsive and effective Local Taxation and Housing Benefit service maintaining a high level of customer services in an ever challenging and evolving environment taking into account external social, political and economical influences.

In the administration of benefits we aim to deliver the services that meet the recognised needs of our older people, single people, families, sick, disabled, unemployed and homeless.

The Council will continue its effective billing and collection of Council Tax, Non-Domestic Rates and Community Charge to ensure that all income legitimately due to the Council for these local taxes is billed and thereafter collection maximised.

Constant monitoring of service performance and research into new ways of working and technology will be given priority to ensure that we move forward continuously improving our standards of service delivery.

Working to bring equality into our service by eradicating discrimination. Giving our citizens the freedom to make their own choices by facilitating access to our services so that everyone can participate on equal terms.

We further aim to build strong ties with our citizens and stakeholders to offer a co-ordinated and effective service, supporting individuals to live in decent housing by providing a service that is customer-focused, modern, efficient, speedy, accurate and secure from fraud and error.

PREVENTION

The Council will not tolerate fraud, corruption or abuse of position for personal gain and is committed to securing effective methods of prevention, detection and investigation. The Council will promote an environment that actively encourages the highest principles of honesty and integrity.

Role of Internal Audit

Internal Audit is a service to the organisation and contributes to internal control by examining, evaluating and reporting to Management on its adequacy and effectiveness. Whilst it is not a primary function of Internal Audit to detect fraud, their work should assist Management in preventing and deterring fraud through the strengthening of internal control.

Role of External Audit

As part of their work, External Audit should consider and assess the arrangements in place for the prevention and detection of fraud.

The Role of Members

Elected Members are responsible for ensuring that adequate Management arrangements are in place; for developing and taking decisions on the use of the Council's physical, financial and human resources; to concern themselves with the performance, development, continuity and overall well-being of the organisation.

The Role of Management

Management at all levels are responsible for ensuring that their staff are aware of the Authority's Schemes of Administration, i.e. financial regulations, tender procedures and delegation of powers, and that the requirements of each are being met. It is also a Management responsibility to maintain internal controls and to ensure that the Authority's resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud.

Special arrangements may apply where employees are responsible for systems that generate payments, for example the Housing Benefit computer system. Managers should ensure that adequate and appropriate training is provided for staff and that checks are carried out to ensure that proper procedures are being followed. Managers should also consider whether pre-employment checks should be undertaken for certain posts.

The Council's Recruitment and Selection process should be strictly adhered to and, in particular, the references and qualifications of all proposed new employees of the Authority should be thoroughly checked prior to a position being offered.

To assist Management in discharging their duties, advice should be sought from Internal Audit, the Head of Personnel and the Deputy Chief Executive

Benefit Fraud committed by a Dundee City Council employee

Where fraud has been proven against an employee following a benefit fraud investigation the employee will be subject to the following action in line with the Benefit Fraud Regulations:

- Administrative Caution (warning)
- Administrative Penalty (financial penalty 30% of overpaid benefit accruing from December 1997) should offence commence before 8th May 2012
- Administrative Penalty (financial penalty of £350 or 50% of overpaid benefit, whichever is greater up to a maximum penalty of £2,000, should offence commence after 8th May 2012
- Prosecution

Impact on employment where a Dundee City Council employee has committed Benefit Fraud

Employees are responsible for their own conduct and behaviour. If an employee is found to have committed or attempted to commit fraud, has knowledge of their partner or spouse committing or attempting to commit fraud or has withheld information relating to fraud from the council, he/she will be investigated in accordance with the Council's Procedure for Dealing with Breaches of Discipline and Sub Standard Work Performance Procedure and appropriate action will be taken which may be dismissal.

Service Level Agreements with stakeholders

The Council will liaise where appropriate with outside organisations to encourage closer working and formalising joint working through the implementation of Service Level Agreements. However, these agreements will necessarily be subject to there being appropriate legal gateways to sharing of information and resources.

Audit Scotland

From April 2008 Audit Scotland has taken over from the Benefit Fraud Inspectorate in the role of inspecting benefit administration. A rolling programme of inspections is now in place to ensure that Councils are continually working to improve the service they provide for the public. Dundee City Council will endeavour to implement any recommendations made by Audit Scotland.

Risk Assessment

The Council is aware of its duty of care to its citizens but it is also aware of its duty of care to its employees. As such, risk is assessed and managed regarding lone working.

Land Registry Checks

Benefit applications are checked against the Land Registry data where appropriate

Fraud Awareness

The Counter Fraud Team carry out a varied range of benefit fraud awareness work to a wide range of organisations and agencies. This work includes:

- internet publication of the quarterly Counter Fraud Performance Report
- internet interactive awareness sessions by e-mail
- face to face presentations
- joint working presentations with the DWP
- adverts on library carrier bags in the city
- responding to requests for awareness sessions
- being proactive in approaching organisations to provide awareness sessions

The content is continually reviewed to ensure that the sessions delivered are always changing, covering different aspects of benefit fraud to engage the audience. The Council firmly believes that working together we can make a real difference towards eradicating fraud within the benefit system. If you would like the Benefit Fraud Team to come to your organisation to do a benefit fraud awareness presentation please contact the Fraud Manager on 01382 4312551.

Publicity

The Council has an on-line referral form on the Council's internet site, posters in public offices and adverts on library carrier bags.

DETERRENCE

Repayment

The Council will seek repayment of all incurred Housing Benefit or Council Tax Benefit overpayments which have arisen as a result of fraudulent activity.

Where an individual has committed a benefit fraud offence, Dundee City Council will actively seek to recover the overpayment in full, taking all legal steps available.

Where an individual has been found to have committed a benefit offence, where the case results in an Administrative Caution or Administrative Penalty interview, the Officer undertaking the interview is accompanied by a member of the Housing Benefit Overpayment Team so that recovery of the debt can be put in place straight away.

Should the individual still be entitled to benefit then the Housing Benefit Overpayment Team will implement automatic deductions from the on-going benefit entitlement.

This recovery progress is monitored to ensure that agreed repayment arrangements are adhered to. Should a debtor default on an arrangement the debt will automatically progress through the various debt management stages.

If repayment arrangements are still not in place by this time the debt is reviewed on a case-by-case basis to take account of all the circumstances. The options at this stage are as follows:

- if there is any doubt about the residence of the debtor the Council and Department for Work and Pensions records are searched to establish any different address that the individual appears at as a member of that household so that contact can be made with the debtor at the new address to progress repayment
- if the debtor is in receipt of a benefit from the Department for Work and Pensions (DWP) the Council can request repayment deductions from their DWP benefits
- if the debtor has relocated to another area the Council can request repayment from ongoing benefit entitlement that the debtor has at their new address
- the debt is forwarded to the Sheriff Officer to take action to recover
- if the debtor has expressed a financial difficulty in repaying the debt, the Council can issue an Income and Expenditure Form to determine what the individual is likely to be able to afford. Supporting documentation may be requested to confirm any outgoing expenses noted in the form

All debts are regularly reviewed for changes to the debtor's location and financial circumstances

Sanction Policy

The Council is committed to taking action against anyone committing fraud offences and as such has a policy in place supporting this Anti-fraud and Anti-corruption Policy (www.dundee.gov.uk/fraud).

The Council endeavours to implement best practice at all times and, where appropriate will incorporate DWP guidelines on benefit sanction criteria.

Where a case is identified as being suitable to be progressed to prosecution the Council will consider invoking the powers invested in Local Authorities by the Social Security Administration Act 1992 and all subsequent amendments allowing the imposition of Administrative Cautions and Administrative Penalties as an alternative to prosecution.

Anti-Money Laundering Policy

The Council is committed to preventing the Council and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, particularly in regard to the reporting of actual or suspected cases. The Council has a policy in place supporting the Anti-Money Laundering Policy.

Detention of individuals

Should an individual fail to attend an interview under caution without good cause the Council may in serious cases request that the police detain the individual under Section 14 of the Criminal Procedure (Scotland) Act 1995 in order to carry out the interview. In such instances the Council's Investigation Officer leading the investigation will liaise with the police and the police will undertake the interview under caution in the interview suite of Tayside Police as soon as possible after the individual has been detained.

Sanctions

Administrative Cautions

Administrative Cautions are levied under the terms of Section 115A of the Social Security Administration Act 1992

An Administrative Caution is appropriate where it has been determined that a benefit fraud offence has taken place, the perpetrator has admitted this during an interview under caution, it is either a first offence and it is not so serious that the first option should be Administrative Penalty or Prosecution. The criteria for an Administrative Caution is as follows:

- a) the case has been reviewed and has met the evidential requirements to be reported to the Procurator Fiscal
- b) the circumstances of the case merit a more serious form of deterrent action over and above the recovery of the overpaid benefit(s).
- c) the fraud has resulted in a combined benefit overpayment (Housing Benefit, Council Tax Benefit and DWP benefits) ranging between £0-£1,999.99
- d) after interviewing the possible offender the Council has made an independent review of the case and found it suitable for sanction action
- e) the offender has admitted the offence
- f) the offender is 18 or over

Administrative Penalties

Administrative Penalties are levied under the terms of Section 115A of the Social Security Administration Act 1992 as amended by Section 15 of the Social Security Administration (Fraud) Act 1997

An Administrative Penalty is appropriate where it has been determined that a benefit fraud offence has taken place, but the offence is not so serious that the first option should be Prosecution. In cases where the offence is a second offence then the case will be reported to the Procurator Fiscal for prosecution.

The level of the financial penalty is laid down in legislation as being 30% of any accrued benefit overpayment occurring with effect from 18 December 1997 due to the fraud offence. The criteria for an Administrative Penalty is as follows:

- a) the case has been reviewed and has met the evidential requirements to be reported to the Procurator Fiscal
- b) the circumstances of the case merit a more serious form of deterrent action over and above the recovery of the overpaid benefit(s)
- c) the fraud has resulted in a combined benefit overpayment (Housing Benefit, Council Tax Benefit and DWP benefits) ranging between £0-£1,999.99
- d) after interviewing the possible offender the Council has made an independent review of the case and found it suitable for sanction action
- e) the offender is 18 or over

The Welfare Reform Bill includes clauses relating to Administrative Penalties. Clause 114 extends Administrative Penalties to allow them to be offered in attempt cases as an alternative to prosecution, where an offence of benefit fraud has been committed but the fraud is discovered and stopped before any overpayment of benefit is made. In these cases the amount of the Administrative Penalty will be £350.

The Welfare Reform Bill amends section 115A and provides for a minimum penalty of £350 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £2,000). This change applies from 8th May 2012 and apply to cases where the offence/s is committed wholly on or after 8th May 2012. For offences that are committed prior to 8th May 2012 or span 8th May 2012, Administrative Penalties will be calculated at the 30% rate.

Prosecutions

Reporting to the Procurator Fiscal is under the terms of Sections 111 and 112 of the Social Security Administration Act 1992 and under Common Law.

A prosecution is appropriate where it has been determined that a benefit fraud offence has taken place, where the offender has committed a previous benefit fraud offence and / or the offence is such that it is suitable to prosecute as the first option. Consideration for reporting to the Procurator Fiscal is made taking the following criteria into account:

- a) the case has been reviewed and has met the evidential requirements to be reported to the Procurator Fiscal
- b) the circumstances of the case merit a more serious form of deterrent action over and above the recovery of the overpaid benefit(s)
- c) the fraud has resulted in a combined benefit overpayment of £2,000 or over (Housing Benefit, Council Tax Benefit and DWP benefits)
- d) the perpetration of the fraud involves such action that involves a level of fraudulent scheme demonstrating increased fraudulent intent
- e) the circumstances of a case are such that there is a new element to either the fraud or the investigation that has not been tested in a report to the Procurator Fiscal
- f) where, if an Administrative Caution or an Administrative Penalty has been offered on the same case, it has been refused
- g) the offender is over 18
- h) if the offender has previous benefit offences on record

One or Two Strikes

From 1 April 2010 Section 24/Schedule 4 of the Welfare Reform Act 2009 and the Social Security (Loss of Benefit) Amendment Regulations 2010 introduced a new four week loss/reduction of benefit sanction (One Strike). One Strike sanctions apply to benefit fraud offences committed on or after 1 April 2010 that result in a Caution, administrative penalty or a 1st conviction. Additionally, for repeat offenders, 'Two Strikes' (introduced in 2002) is a fixed 13 week loss/reduction of benefit sanction if a person is convicted of benefit fraud in two separate proceedings within a five year period.

The Council is committed to taking action against fraudsters and as such has a Benefit Sanction Policy in place supporting this document (www.dundee.gov.uk/fraud).

Applying appropriate sanctions against persons who have committed benefit fraud as an essential element of our anti-fraud strategy, the Council endeavours to implement best practice at all times and, where appropriate to joint working, incorporate DWP guidelines on benefit sanction criteria.

Sanction Standards

When a case is investigated and a benefit offence has been found to have been committed, it is then reviewed to ensure that is suitable for reporting to the Procurator Fiscal. All sanction cases must be suitable for prosecution.

Sanctionable cases go through a three part testing process prior to being authorised for sanction action. The tests are the test of fairness, evidential test and public interest test and are documented as part of the detection of fraud procedures within this policy document.

Lesser Sanctions

Where a case is identified as being suitable to be progressed to prosecution the Council will consider invoking the powers invested in Local Authorities by the Social Security Administration Act 1992 and all subsequent amendments allowing the offering of Administrative Cautions and Administrative Penalties as an alternative to prosecution. The criteria for deciding which sanction is appropriate is documented as part of the detection of fraud procedures within this policy document.

All sanction action is in addition to the requirement to repay any overpaid benefit resulting from the fraudulent activity.

If there are exceptional circumstances, an example of which could be where a claimant holds a position of trust in the community or is an employee with the Council, this will be taken into consideration when determining both any appropriate sanction action and also disciplinary action.

The offering of Administrative Cautions or Administrative Penalties will be at the discretion of the Council under the guidelines documented as part of the detection of fraud procedures within this policy document. Refusal of a Caution or a Penalty will normally result in the Council giving consideration to reporting the case to the Procurator Fiscal.

Joint Working

The Council promotes joint interdepartmental working and joint working with external organisations where that work will promote securing the gateway to fraud.

Working closely with the Fraud Investigation Service (FIS) its counterparts within the Department for Work and Pension's (DWP) the Council has fully embraced joint-working.

All cases where there is both Council and Department for Work and Pensions benefits affected by the offence the cases will be considered for joint working with the Department for Work and Pensions Fraud Investigation Service.

It has been agreed that where joint working has taken place in a DWP investigation and that case is then vetted by the DWP and deemed suitable for sanction action the Council will follow the DWP lead on what further action is appropriate to that case.

The same follows for Council led cases so in joint working cases, therefore, the lead organisation will take responsibility for vetting cases for further action.

The coalition government's strategy for tackling welfare fraud and error set out a commitment to create a single fraud investigation service (SFIS) to investigate benefit and Tax Credit fraud. This commitment will be achieved by bringing together investigation staff from Local Authorities (LA), Department for Work and Pensions (DWP) and Her Majesties Revenues and Customs (HMRC).

The Council will continue to work closely with the Department for Work and Pensions in the lead up to the creation of the Single Fraud Investigation Service which will come into being in 2013.

Fraud Offence History

In assessing the appropriate sanction action the offenders benefit fraud history will be taken into consideration.

Sanction Variances

All sanction cases - Administrative Cautions / Administrative Penalties / Prosecutions - are vetted to ensure that the action being considered complies with the Council's Benefit Sanction Policy (www.dundee.gov.uk/fraud).

Any cases where a sanction is administered by the Council and it falls outside the sanction criteria, will qualify as a variance to the Benefit Sanction Policy and as such will be reported to the Elected Members in the quarterly Counter Fraud Performance Reporting and, if approved, will be incorporated into the policy. This ensures strict control measures are in place.

As soon as practicable, all variance situations will be incorporated into the Benefit Sanction Policy.

DETECTION

Council Plan 2010- 2012

This Anti-fraud and Anti-corruption Policy is supported by the Fraud elements of the Council's internal Council Plan and the Fraud Manager assesses the counter fraud section performance for compliance during the year by documenting the section's progress on each item and implementing procedural adjustments if appropriate to ensure that the plan objectives are met.

Finance Service Plan

The Finance Department sets out the Council's twin aims to deliver outcomes for its citizens and improve services.

Benefits administration has a very high priority both for the Finance Department and the authority itself and the counter-fraud section measures its performance against the relevant service plan requirements.

Annual Business Plan

The internal Counter-fraud Annual Business Plan and Strategy supports the Council plan, the Finance Service Plan, Anti-fraud and Anti-corruption Policy and the Benefit Sanction Policy

Each year the Fraud Service performance is reviewed, updating the Annual Business Plan accordingly.

As with the Council Plan, the Fraud Manager assesses the counter fraud Annual Business Plan by documenting the section's progress on each item and implementing operational adjustments where appropriate.

Should there be changes to the plan required then the document is updated by further entries being made with any necessary information being carried forward to the next revision of the Council Plan.

The Council Plan, Counter -fraud Annual Business Plan, Anti-fraud and Anti-corruption Policy and the Benefit Sanction Policy work together to ensure that Dundee City Council has a robust anti-fraud strategy.

Counter-fraud Objectives

In the Annual Business Plan and Strategy the annual counter-fraud achievement objectives for the future financial year are documented. These are reviewed for performance at the end of the financial year and a revised set of achievement objectives are then implemented for the following financial year. In this way we aim to continually improve the service the counter-fraud section provides.

Benefit Fraud Message

It is important that the public are aware that there are processes in place to secure the gateway to benefit fraud. The message is – **ANY PERSON DEFRAUDING BENEFIT WILL BE CAUGHT!**

Test of Fairness

Dealings with persons in relation to benefit investigations should be fair and proportionate and the Council should be able to demonstrate this.

The aspects of our sanction investigations that we consider in the test of fairness are:

- our record keeping throughout the investigatory process
- officers' awareness of the test of fairness
- the interviewee's rights
- the interviewee's needs
- the level of information given to the interviewee prior to interview
- the level of information given to the interviewee during the interview
- allowing the interviewee sufficient time to respond
- advising the interviewee what will happen next
- taking account of delay during an investigation
- being able to provide transcripts of interviews to demonstrate the above

Evidential Test

Sanction cases require to be fit for prosecution and so must be able to demonstrate a suitable level of evidence.

If the case does not pass the evidential test, it should not proceed to being reported to the Procurator Fiscal.

Our evidential test that is applied is that we must be satisfied that:

- there is sufficient corroborated evidence to enable the Procurator Fiscal to proceed with the case
- the evidence is from reliable sources
- the evidence can be used
- the evidence is corroborated

Public Interest Test

If a case passes the evidential test then we consider whether a prosecution would serve the public interest by being a good use of public funds.

While this is ultimately the remit of the Procurator Fiscal we have historical data from our past prosecution cases that enables us to review our cases for public interest rather than referring cases to the Procurator Fiscal when we know that they will be marked no proceedings.

If the council is aware that a case will not be successful before reporting it would be a poor use of resources for the:

- council to take the time to prepare the case and submit it to the fiscal
- fiscal depute to spend time assessing the case
- council to then have a mark against it as an unsuccessful prosecution

The Public Interest Factors that are considered are contained in the Benefit Sanction Policy and are as follows:

- Social Welfare

In all cases the known circumstances of the individual will be assessed and if it is felt that the individual has been enduring difficult social circumstances this will be reviewed to assess whether proceeding to sanction would be advisable e.g. where the claimant is having to cope with very difficult circumstances in their life such as the terminal illness of a child. The assessment is to determine whether it would really be thought to be in the public interest to put this individual through more stress when they are finding it difficult to cope with

'normal' life on a day to day basis. This is not a category that can be easily documented as it will depend on the circumstances of each case. Validation of the circumstances may also be required.

- Mental Health

The mental health of the individual will be taken into consideration before any sanction decision is taken. Where it is known or suspected that there may be a mental health issue then the matter will be looked into further and if established then the case may not be deemed suitable for sanction action. Validation of the circumstances may be required.

- Physical Health

The physical health of the individual will be taken into consideration before any sanction decision is taken e.g. if the individual is suffering from a terminal illness. The assessment is to determine whether it would really be thought to be in the public interest to put this individual through more stress when they are finding it difficult to cope with 'normal' life on a day to day basis. This is not a category that can be easily documented as it will depend on the circumstances of each case. Validation of the circumstances may also be required.

- Whether criminal intent can be demonstrated

To assess whether the investigation has established that the individual intended to defraud. Sanction action will only be taken where intent to defraud has been established and can be supported by the facts / evidence of the case.

- Fraud history

When a case has been vetted for sanction action then it is assessed for previous fraud offences to determine which sanction action is appropriate. This previous history check is possible due to the DWP maintaining a database on all benefit fraud sanction cases.

The database includes both DWP and LA benefit fraud sanction cases. If previous offences are found then the case will be reported to the Procurator Fiscal for prosecution irrespective of what sanction would be appropriate for the current fraud offence.

- Period of fraud

The length of time that a benefit fraud offence has been ongoing can demonstrate a higher level of intent to defraud and also that the offender would be unlikely to ever voluntarily disclose the situation and / or stop defrauding. It is therefore an important factor when assessing a case for possible sanction action.

- The length of time taken in the investigation

All cases are assessed for how long it has taken to investigate and within that time whether there has been any avoidable delay involved before any sanction decision is made.

- Claimant being a member of staff

Council employees are expected to act honestly, appropriately and with integrity. While being a member of staff committing a benefit offence will not affect the decision to take sanction action or not, where an employee is found to have committed benefit fraud or have been collusive in allowing the fraud to continue then the matter is subject to a report to the Director of Corporate Services and the Head of Personnel to determine suitability for disciplinary action.

- Whether the claimant has declined a Caution or Administrative Penalty

Where an individual refuses one or the lesser sanctions, an Administrative Caution or Administrative Penalty, the matter will be considered for reporting to the Procurator Fiscal for prosecution.

- The level of the fraudulent scheme showing increased fraudulent intent

If the investigation has established that the individual has gone to unusual lengths to commit benefit fraud then the matter will be reported to the Procurator Fiscal for prosecution due to this high degree of intent to defraud.

- Any collusive scheme with third parties

If the investigation has established that there are multiple individuals involved in the scheme to commit benefit fraud then the matter will be reported to the Procurator Fiscal for prosecution due to this high degree of intent to defraud.

- Affect on DWP benefit

Where there will be a reduction or withdrawal of a DWP benefit due to the fraud then a joint investigation may be undertaken with both organisations taking appropriate sanction action.

- Any failure in investigation

All cases are assessed for any failure in the investigation before any sanction decision is made.

- Any failure in benefit administration

All cases vetted as suitable for sanction are independently checked for any failure in the benefit processing before any action is taken.

Benefit Fraud Strategy

The Council is committed to tackling fraud and our strategy is documented in our in-house Counter-fraud Annual Business Plan and Strategy document.

Risk Assessment

All referrals are risk assessed and actioned accordingly.

Referrals will be actioned via various sections depending on the outcome of the risk assessment process:

- Counter-Fraud to undertake an investigation. All referrals taken on for fraud investigation either by the Council or the DWP are subject to joint working consideration.
- Department for Work and Pensions to assess the referral for fraud investigation where a DWP benefit is in payment. All referrals taken on for fraud investigation either by the Council or the DWP are subject to joint working consideration.
- Liaison Section to visit to gather pertinent information and / or documentation to ensure the benefit and / or Council Tax liability discount are updated as required.
- Accounts Section to process any changes to benefit and / or Council Tax liability, write out, telephone to request any information and / or documentation that is required to enable the processing of benefit and / or Council Tax liability.

Investigation case outcome risk assessments are used to identify high risk areas where resources can be targeted.

Procedures relating to Counter-fraud activity evolve as required.

Do Not Redirect

The Council takes advantage of the TNT's Do Not Redirect Service to combat fraud where a person claims benefit from an address that they do not reside at.

Where an official mail redirection has been put in place with TNT, this service allows for benefit mail issued by the Council to the original address to be intercepted and returned with the redirection information so that investigations can be implemented.

The Council also works in partnership with TNT and where any unofficial redirection of post is uncovered this matter will be referred onto their own investigators.

Data Matching

Data-matching involves bringing together data from different sources and comparing it to identify any discrepancies. This comparing of data aims to identify cases that merit investigation.

The Council takes part in many data-matching exercises both internal and external, promoting data-matching where there is a legal gateway which allows for this very effective fraud detection procedure.

Remote Access to DWP Benefit Data

Separate from data matching, procedures are in place to facilitate remote checking any Department for Work and Pension benefit in payment where an individual has applied for benefit declaring that they are receiving a Department for Work and Pensions benefit.

National Fraud Initiative

The Audit Commission is an independent public body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local and national services for the public.

The National Fraud Initiative (NFI) is the Audit Commission's data matching exercise that tackles a broad range of fraud risks faced by the public sector. The NFI has been embedded in the statutory external audit process for audited and inspected bodies since 1998 and is currently run every two years.

Prior to 2010 data matching (NFI) operated in Scotland mainly under a combination of auditors powers of access to information in Section 100 of the Local Government (Scotland) Act 1973 and section 53 of the Local Government in Scotland Act 2003.

From 2010 Audit Scotland will conduct data matching exercises under statutory powers added to the Public Finance and Accountability (Scotland) Act 2000 by Section 70 of the Criminal Justice and Licensing (Scotland) Act 2010.

The processing of data by Audit Scotland for NFI purposes is therefore carried out with statutory authority. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

Data matching by Audit Scotland is subject to a Code of Data Matching Practice which was issued on 12th November 2010 under 26F of the Public Finance and Accountability (Scotland) Act 2000 (as amended). This can be found at <http://www.audit-scotland.gov.uk/work/nfi.php>

The National Fraud Initiative compares different sets of data such as payroll or benefit records, against other records held by the same, or another organisation, bringing to light potentially fraudulent claims and payments. Where a match is found, this means there may be a discrepancy that needs investigation.

The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.

The Council takes part in National Fraud Initiatives as relevant to Scotland

Service Level Agreements with external stakeholders

The Council has agreements on information sharing and joint working processes with other departments and organisations as appropriate

Fraud Hotline

The Council has a Fraud Hotline Service. Manned during the day, answer machine at night and at weekends, this free telephone service allows individuals to refer possible fraud cases anonymously or not as preferred – 0800 085 2289

Investigations

Benefit Fraud Investigations will be managed and carried out in a manner consistent with this Anti Fraud and Anti Corruption Policy and in conjunction with the Benefit Sanction Policy (www.dundee.gov.uk/fraud).

Code of Conduct for Investigators

Benefit Counter Fraud Officers adhere to the agreed Code of Conduct that has been produced to cover Benefit Fraud Investigations. You can view this code on the Council's internet site: www.dundee.gov.uk/fraud

Investigation Targets

The Counter-fraud Team has internal targets for many aspects of our investigatory work and strives wherever possible to improve its service on an ongoing basis.

Counter Fraud Section

MANAGER
REVENUES OFFICER
INVESTIGATIONS OFFICERS X 4
BENEFIT ASSISTANTS X 2

The Counter Fraud Team work to strict legislative procedures such as:

- Social Security Administration Act 1992 and all subsequent amendments
- Welfare Reform Act
- Human Rights Act
- Data Protection Act
- Regulation of Investigatory Powers (Scotland) Act
- Criminal Procedures (Scotland) Act
- Best practice, where it can be applied to Scotland, as contained in the Police and Criminal Evidence Act

Counter Fraud Section Remit

- to investigate benefit fraud referrals
- to be proactive in identifying high risk areas of benefit fraud
- carry out investigations in a manner which complies fully with all relevant legislative acts

Counter Fraud Qualifications

All investigatory officers within the Revenues Division are required to hold or study for accreditation as a Counter Fraud Officer

The manager must be qualified as an Accredited Counter Fraud Manager

The course of study is undertaken via the Department for Work and Pensions Professionalism in Security Training

How are fraudsters caught

- strict verification & validation of benefit application forms requiring supporting evidence of income
- by you reporting possible benefit fraud cases to us
- information from other council departments, organisations & agencies
- data matching benefit records with other departments within the Council and agencies such as the DWP & HMRC
- pro-active work to specifically target high risk categories of fraud

Referring a Benefit Fraud Case

Fraud referrals can be referred to the Council by using:

- hotline - **0800 085 2289** which is manned during the day and on answer phone at night and at weekends. Referrals can be made anonymously if preferred.
- internet referral form - [**www.dundeeecity.gov.uk/fraud**](http://www.dundeeecity.gov.uk/fraud)

- letter to the Revenues Division, Counter Fraud Section, P O Box 216, Dundee, DD1 3RE
- phone call to (01382) 431253
- if there is a suspicion of fraud by a member of staff please contact the Counter Fraud Manager on 01382 431251 to have your referral progressed in confidence

Action the Counter Fraud Section will take

- assess the referral for content
- if taken on for investigation the referral content will be used to determine what action should be taken
- request information from the benefit fraud national database as to whether the claimant has offended previously
- make initial enquiries to confirm if referrers suspicions can be substantiated which allows us to take the investigation further
- approach all relevant sources of information such as employers / financial institutions / linked individuals as appropriate to establish if there is any substance to the allegation
- where appropriate use legislative authority to gather all information pertinent to the investigations
- if our investigation supports the allegation or uncovers any other type of benefit fraud then the details will be confirmed by documentary evidence and witness statements
- invite claimant into tape recorded interview under caution
- assess whether intent to defraud has been proven by assessing the overall situation using as the basis the documentary evidence, witness statements and interview under caution transcript
- assess whether there has been a fraud offence committed.
- assess whether sanction action is appropriate
(Administrative Caution, Administrative Penalty, Report to the Procurator Fiscal)
- If there are exceptional circumstances, this will be taken into consideration when determining both appropriate sanction action and also any appropriate disciplinary action
- request that the benefit be reassessed where appropriate
- take sanction action as appropriate
- assess for Financial Investigation under proceeds of crime and action accordingly
- report information to national benefit fraud database
- recover overpaid benefit and any Administrative Penalty

Fraud Referral Quality Assessment

All referrals received by the Counter Fraud Section are reviewed for content with a view to embarking on a full investigation. The Council has a Referral Quality Assessment procedure in place which is specifically designed to assess the content of referrals and their suitability for investigation.

In certain situations the matter may not be progressed by the Counter Fraud Section such as where:

- there is insufficient information to take the case forward
- the information is known to the council already
- it is a repeat allegation that has already been investigated
- the possible change to benefit will result in an increase in the benefit award
- the referral content will result in no change to the benefit
- the matter is already being investigated by our Benefit Processing Section
- the fraudulent activity relates to a person under the age of 18

- the referral relates to someone with Severe Mental Impairment
- the allegation is such that there is likely to be very little possibility to take the case to prosecution or administer one of the lesser sanctions and we are at our full caseload capacity for commencing lower level investigations

However, your referral will always be investigated where there is any action to be taken and so will be forwarded to one of the following:

- Department for Works and Pensions to investigate where a DWP benefit is in payment
- Revenues Division's Visiting Section
- Revenues Division's Benefit Processing Section

ALL REFERRALS ARE IMPORTANT TO THE COUNCIL!

Please take some time to visit the Council's website information on counter-fraud at :-
www.dundee.gov.uk/fraud

Multiple Referrals

Where multiple referrals relating to the same individual either alleging different benefit offences or from different sources then the referral will be fast-tracked to investigation.

What should you refer

- people who you think could be on benefits that have a working partner residing with them
- any information you know about people not declaring income to the Council or the Department for Work and Pensions
- situations where people you think are on benefit but who seem to have enough spare money to spend on material goods etc
- people boasting about defrauding
- anything you think might be worth referring.

The team would rather get a lot of referrals that are subsequently found not to be linked to a fraudulent benefit claim than not get these and possibly miss one that is!

What sort of information should you include in your referral

- name(s)
- address(es)
- what you think the fraud is - what income or household circumstances are involved
- any known daily times or patterns linked to the possible fraud
- if you are telling us about an undeclared partner in a Benefit recipient's home tell us where claimant and partner are employed
- descriptions
- vehicle(s) make, model, colour, registration & if appropriate, why you believe it is linked to the possible fraud
- any reason to suspect violent behaviour
- anything you think might be useful

NB: please be aware that you should report only what you know and that on no account should you endeavour to 'find out more' about any persons movements as you may then be acting unlawfully!

Feedback and Data Protection

Where name and contact details of the referrer are provided with the referral the Council will acknowledge receipt of the referral.

In order to comply with the Data Protection Act 1998 the Council will not be able to provide any feedback information to the public on what action is taken on the referral or the outcome of any investigation as to give information to a third party would be a contravention of the Act.

Benefit Fraud Offences

- knowingly providing false information
- knowingly failing to report a change of circumstances
- knowingly allowing another to defraud

Action the Council takes against benefit fraudsters

- Reassess benefit
- Recovery of overpaid benefit obtained because of the Fraud Offence
- Apply loss of benefit provisions in accordance with 1st or 2nd strike legislation
- Administrative Caution
- Administrative Penalty
- Prosecution
- Report on Proceeds of Crime to the Department of Work and Pensions Financial Investigators

Repeat Offending

Where it is established that an individual has committed a previous benefit offence and the investigation leads to a proven fraud, the Council will report the matter to the Procurator Fiscal irrespective of the period of the offence and the amount of overpaid benefit due to the offence.

Successful Prosecution possible repercussions

- Named in local press
- Named in national press
- Listed on National Benefit Fraud Database
- Criminal Record
- Community Service
- Fine
- Custodial Sentence
- Compensation Order against you for payment
- Confiscation of assets equal to size of fraud overpayment

Proceeds of crime

The Council aims to identify cases where there is evidence of possible proceeds of crime:

- reviewing financial intelligence gathered during investigations
- referring cases to the Department for Work and Pensions Financial Investigation Unit
- working jointly with the Department for Work and Pensions Financial Investigation Unit

Working with the Police

Dundee City Council is keen to build on our relationships with our stakeholders and where appropriate will:

- liaise with the Police on cases

- report any criminal activity other than benefit fraud offences as appropriate
- work with the Department for Work and Pensions on financial investigations
- receive and provide information, documentation and advice according to recognised legal gateways
- Utilise police detention procedures as appropriate

Working with the Department for Work and Pensions (DWP)

The Council promotes joint interdepartmental working and joint working with external organisations where that work will promote securing the gateway to fraud.

The Council will continue to work closely with the DWP by:

- complying with our joint working agreement to our mutual benefit
- working jointly on sanction cases
(Administrative Caution, Administrative Penalty, Report to the Procurator Fiscal)
- ensuring that joint working cases referrals are actioned proactively

Managing Expectations

It is very important that the fraud section take action against perpetrators of benefit fraud and we aim to report to the Procurator Fiscal where appropriate.

Our risk assessment and working procedures are designed to prioritise the more serious cases of benefit fraud and to concentrate our resources on the referrals that are most likely to lead to prosecution. However, we are also aware of the need to tackle all levels of benefit fraud and specific initiatives are implemented to ensure that we do this and that we take appropriate action against all proven fraud cases

When we receive a referral, there is a requirement to ensure that there is substance to the allegation so that we can justify taking investigative action and committing our resources. All referrals are therefore subject to a referral quality assessment procedure and a series of checks and if there is enough for us to go on then your referral will be allocated to an investigator.

It is of course frustrating not to know what action is being taken regarding the referral but investigative work needs to be confidential as it is illegal to provide information to anyone other than those individuals who have a legal right to the information.

It is also important that, until such time as a fraudulent claim to benefit is proven, the person being investigated has not committed any offence and as such is entitled to the same rights of confidentiality as anyone else.

Because of this a referrer cannot be kept informed as to the progress of any investigation other than an acknowledgement that we have received the referral and our assurance that the content of your referral will be treated as important. Even if the referral is not suitable for investigation by the Counter-fraud Section, where appropriate it will be used to ascertain if the benefit is correct.

Your information is always appreciated!

Interview Under Caution

During investigations, where there are grounds to suspect that a benefit fraud offence has been committed, the perpetrator, and any associate, who may be part of the offence will, where appropriate, be interviewed under caution which will be tape recorded. All individuals will be invited to the interview under caution by letter, unless there are specific reasons for the interview to be convened differently, and an explanatory leaflet about this type of interview and what to expect is issued with the letter.

Involving the Public

In order to fulfil our remit of deterring, detecting and preventing benefit fraud it is necessary to interview members of the public in connection with discrepancies in their benefit claims. Dependent upon the circumstances and seriousness of the case, individuals may be interviewed in their own homes or at a suitable Council office.

Interviews being held in the Council's offices will be recorded. Interviews that are held in the Tayside Police Headquarters will be recorded also. A master recording will be signed and sealed in the presence of the interviewee and retained by the Council for use if the matter is referred to the Procurator Fiscal for prosecution.

Where the Council requires information and documentation about an individual and where that information or documentation is necessary to the investigation, the Council's Investigating Officers will use their legislative powers to obtain it and do not need the individual's permission to do this.

Involving Businesses

The Council's Counter Fraud Officers are Authorised Officers under Section 110A of the Social Security Administration Act 1992 and therefore have the authority to visit or contact any property from which a business is being run from, or where there is reason to believe that a business is being run from, in order to request any pertinent documentation or information and to interview any individuals found on the premises.

It is an offence to obstruct a Fraud Officer who is requesting information and such cases will be reported to the Procurator Fiscal for proceedings.

Training

The Council's Benefit Fraud Investigation Officers must either be fully Accredited Fraud Officers under the Professionalism in Security Training Program (PINS) or be prepared to undertake the study to become fully accredited.

Further training is continually being sourced to ensure that Counter Fraud Officers' skills are kept up to date.

Publicity

In order to deter future fraudulent activity, where a case is referred to the Procurator Fiscal for criminal proceedings and is subsequently brought to court, the Council may publicise the details in the local press.

Quarterly Fraud Section Performance Reports

The Director of Corporate Services provides quarterly Counter-fraud Performance Reports for the Elected Members which, once approved are viewable on the Councils Internet and intranet sites.

This policy document is a living document, designed to evolve over time to incorporate new legislation and best practice.