

# **NORTH NORFOLK DISTRICT COUNCIL Counter-Fraud Policy**

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## **Introduction**

The Council has a duty to administer the payment of Housing and Council Tax Benefits under the provisions of the Social Security Administration Act 1992 and the Social Security Contributions and Benefits Act 1992. This document outlines the Council's anti-fraud strategy in safeguarding the benefits system against fraudulent abuse, ensuring that these benefits are awarded only to those who are entitled to receive them.

Countering fraud is the responsibility of everyone working in or having management responsibilities for Housing and Council Tax benefit administration. It is an integral part of this administration that everyone is aware of the risks of fraud and knows what to do when they suspect it. Over and above that, effective and timely administration of benefits, particularly in regard to verification, but also in regard to other normal administrative procedures, will prevent fraud and error entering the system.

Despite that, however good the administration of benefits is, it is always likely that some fraud will enter the system. It is important to recognise that the majority of customers who claim benefits are honest, but unfortunately there are those in society who seek to obtain benefits dishonestly and knowingly. The Council, through the Counter-Fraud Section, and working in conjunction with the Department for Works and Pensions and other bodies, aims to eradicate as far as possible the unlawful claiming of benefits, and deal with offenders according to the mechanisms available by law to the Council.

## **When Fraud Occurs**

Customers who claim benefits are informed by the council that it is their responsibility to inform the council of changes in circumstance that could affect their benefit entitlement. Failure to declare a change of circumstance is an offence under the Social Security Administration Act 1992. Where the council considers that changes have not been reported in order to obtain more benefit than the customer is legally entitled to sanction action may be taken dependant upon criteria detailed in the Council's Benefit Fraud Prosecution Policy.

Landlords may also be committing offences if they fail to notify changes which relate to a tenant's occupation of the property or to their liability to pay rent if they know that the change is one likely to affect benefit or be one which could reasonably be expected to affect benefit entitlement.

Partners and appointees of the customer as well as advisors of the customer or appointees may also commit offences in relation to benefit claims.

Fraud may also occur when customers make false statements when completing claim forms for benefit or by omitting to give the full details of their circumstances as requested on the form.

Offences may be committed under legislation contained with the Social Security Administration Act 1992 or the Theft Act 1968.

### **Duties and Considerations of Council Employees & Members**

Any member of the Council or council employee employed by the Revenues and Benefits Section must disclose ownership of property that they rent or any connections with customers who claim housing/Council tax benefit in the North Norfolk District Council area. A record of any such interests will be held by the Personnel Section, and the Head of Corporate Finance will also receive a copy.

Any member of staff who has given false information or abused their position of trust will be subject to disciplinary procedure in accordance with the set guidelines.

Upon discovery of fraudulent claims made by an employee or member of the Council the case will be referred to the Revenues & Benefits Services Manager who will, in turn, inform the Chief Executive, the Audit & Performance Manager and the Head of Organisation Performance and/or others as appropriate.

In addition to the above, an employee may also be subject to the council's Disciplinary Procedures and a Member referred to the council's Standards Committee.

### **Whistle Blowing**

The Council has a Whistle Blowing Policy which has measures in place to protect members of staff who suspect fraud or inappropriate behaviour within the council. The policy complies with the Public Interest Disclosure Act 1998, and all investigations will be in accordance with these provisions.

### **Fraud Referrals**

The Counter-Fraud section receives a number of referrals every year mainly via the following sources:

- Housing Benefit Matching Service (HBMS) -
- National Fraud Initiative (NFI)
- Royal Mail Do-Not Redirect Service
- Internal/External Fraud Hotlines
- Department for Works and Pensions (DWP)
- Other local authorities
- Members of staff
- Members of the public
- From the Council's website referral facility

All referrals will be treated in confidence and dealt with in a discreet manner.

Each fraud referral will be risk-assessed via a point scoring mechanism and the case actioned accordingly by the appropriate officer.

## **Training**

The council will ensure that investigations are properly managed and that we focus our resources on the reduction of fraud, identifying and rectifying any administrative and investigative weaknesses to provide assurance to the public, Members and senior officers of the integrity and quality of investigations.

Benefit Fraud Investigation Officers will be fully trained in all relevant legislation and regulations deriving from:

- The Data Protection Act 1998
- The Regulation of Investigatory Powers Act 2000
- The Freedom of Information Act 2000 (comes into force January 2005)
- The Police and Criminal Evidence Act 1984
- The Criminal Procedure and Investigations Act 1996
- The Theft Act 1968
- The Social Security Administration Act 1992

Investigators will also be conversant with the relevant regulations under Housing Benefit and Council Tax Benefit legislation.

The council ensures that all investigators will either have or be studying for a professional standard such as the Professionalism in Security (PINS) accreditation.

Comprehensive Fraud Awareness training is being provided to all staff dealing with and/or working in the Benefits department. This will be extended to related functions within the council and externally to appropriate bodies.

As well as raising awareness of fraud-related issues and trends, the training helps maintain a high standard of referrals to the Investigation Team and ensures that staff are aware of their responsibilities under this strategy.

## **Fraud Investigations**

Any investigation carried out by the council must be based around the following criteria:

- To establish the facts
- To gather enough evidence to support any sanction that may be applied
- To ensure that the correct level of Housing/Council tax benefit is in payment

During the course of the investigation, current benefits in payment may be suspended or cancelled on the recommendation of the Investigations Officer pending further enquiries.

The council will aim to ensure that all investigations are focused to make best use of the resources available and to ensure that each case is thoroughly investigated and proper consideration given to appropriate closure or sanction. All potential lines of enquiry will be pursued when gathering evidence, all potential information sources checked and verified, and all potential witnesses interviewed.

### **Intelligence Gathering**

The council subscribes annually to the National Anti-Fraud Network who will supply a number of intelligence gathering services, including:

- Credit searches
- Company director information
- DVLA information
- Financial information

The National Anti-Fraud Network also acts as the Council's PINS 9A authorised body for obtaining information under the Social Security (Fraud) Act 1997. NAFN ensures that all information must be legally obtained and authorised by the appropriate officers.

North Norfolk District Council also subscribes to the Local Council Investigation Officers Group (LAIOG) who provide regular quarterly meetings updating officers on legislation and other relevant information. Officers are authorised to obtain and add information to the LAIOG website.

### **Surveillance**

Any surveillance carried out will be in accordance with the Regulation of Investigatory Powers Act 2000. All authorisations, continuation and cancellation forms will be kept by the Head of Corporate Finance and Legal Sections for inspection by authorised bodies, i.e. the Surveillance Commissioner.

### **Home Visits**

It may be necessary to visit claimants/landlords in their own homes. Wherever possible, those involved will be notified by letter or telephone call, unless notification would jeopardise the investigation. This is in accordance with the Human Rights Act 1988, article 8 – right and respect for private and family life.

## **Partnership Working**

The council will continue to actively work with other agencies to support their Counter-Fraud activities. These agencies include:

- Local Authorities Investigation Officers Group (LAIOG)
- National Anti-Fraud Network (NAFN)
- The Department for Works and Pensions (DWP)
- Other Local Authorities and County Councils
- The Inland Revenue
- Other Council departments
- The Police

## **Pro-Active Duties**

The Counter-Fraud Section plans to undertake pro-active initiatives designed to make use of data already held by the Council, which will ensure good quality evidence, and expedient investigations, namely:

- Council house purchases under the right to buy scheme
- Landlord/tenant collusion

At the end of the financial year, these investigations will be analysed for positive outcomes, and may be repeated in subsequent years.

When responding to requests for information, the Fraud Investigation Officer must bear in mind requirements under the Data Protection Act, i.e. be satisfied that the enquiry is for the prevention and detection of a crime.

## **Publicity**

The Council will actively publicise any case which it believes will act as a deterrent to others who are thinking of committing benefit fraud.

A dedicated Fraud Hotline has been introduced, and a number of measures will be undertaken to publicise the service to North Norfolk District Council residents, namely:

- Posters distributed throughout the district (shops, community centres, libraries etc)
- Articles posted in the internet and internal intranet
- Fraud awareness training to council staff and relevant external partners
- Articles in local press, including free newsletter distributed quarterly to all households in the district

## **Protection of Employees**

The Council recognises that customers may be aggressive or hostile during a fraud investigation. Officers are trained to recognise and defuse potentially violent situations, and must give priority to both their safety and others who may be affected by the incident.

Any occurrences of personal verbal abuse or violence must be reported to the Head of Department as soon as possible after the incident. A decision will then be taken on whether to record whether the customer involved is potentially violent, taking into consideration requirements under the Human Rights Act and Data Protection Act.

## **Retention of Documents**

Evidence and documentation relating to benefit fraud investigations will be retained in accordance with the Council's policy and guidance.