



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Thursday 23 rd November 2017
Classification:	For General Release
Title:	Counter Fraud 2017/18 – Progress Report
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	Steven Mair, City Treasurer (Section 151 Officer)
Report author:	Andy Hyatt, Tri-borough Head of Fraud email: Andrew.hyatt@rbkc.gov.uk 020 7361 3795

The Audit and Performance Committee's Terms of Reference require that the Committee receive reports on internal and external fraud investigated by the Council. This report is intended to brief members of the Committee in respect of work undertaken by the fraud service during the period 1 April 2017 to 30 September 2017.

FOR INFORMATION

1. BACKGROUND

- 1.1 This report provides an account of fraud related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2017 to 30 September 2017.
- 1.2 CAFS remains a shared service covering three Councils and continues to reap a number of benefits including the sharing of skills and expertise, a "compare and contrast" review to identify the best practice and the streamlining of anti-fraud related policies and procedures.
- 1.3 CAFS continues to provide Westminster City Council with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.

2 FRAUD SAVINGS

- 2.1 Each year the notional values used to determine financial savings arising from counter fraud work has reinforced the importance of tackling fraud head on, particularly in a time when every penny should be invested in delivering high-quality services to local people.
- 2.2 Due to the successes experienced by CAFS, the notional figures have risen year on year with estimated savings for the financial year 2016/17 more than £4.5m. Although this is a substantial saving, it is also one that is predominantly notional and makes it difficult for CAFS to demonstrate a cash saving.
- 2.3 It was, therefore, our objective at the beginning of the financial year to try and establish values that are aligned to actual savings, rather than just notional amounts or "worse case scenarios." For example, research has determined that the average cost (i.e., what the Council pays), per annum for maintaining a family in temporary accommodation is £3,917. This is a real cost and a more realistic and justifiable amount for us to base our calculations on than the £18,000 per case per annum previously quoted by the now-defunct Audit Commission.
- 2.4 A new range of fraud values for 2017/18 has been revised to what we believe is a more appropriate saving per fraud type. As a result, there is a significant difference in notional fraud savings in the current period when compared to those made in the same period of the previous financial year, particularly in respect of housing, tenancy and right to buy frauds.
- 2.5 Details of the CAFS revised fraud values in these areas are contained in Appendix 1 to this report.
- 2.6 As shown in the table below, for the period 1 April 2017 to 30 September 2017, anti-fraud activity with a notional value of approximately £300,000 has been identified. Due to the recalculation of fraud values, this figure is significantly lower than that reported for the same period last year (£2.2m). However, it should be noted that the number of successful fraud cases has increased.

Activity	Fraud proved 2016/17 Half year	Fraud identified 2016/17 (£'s)	Fraud proved 2017/18 Half year	Fraud identified 2017/18 (£'s)
Housing Fraud (inc. Applications, assignments & successions)	3	54,000	8	47,344
Right to Buy	13	1,350,700	24	62,670
Advisory Report	1	-	3	8,000

Prevention subtotal	17	1,404,700	35	118,014
Tenancy Fraud (CWH and Registered Providers)	10	580,000	13	80,100
Equity Loan Fraud	-	-		-
Internal Staff and Other Services	7	73,159	7	17,694
Disabled Parking	15	70,203	11	36,231
Resident's Parking	16	82,210	32	35,945
Detection subtotal	48	805,572	63	169,970
Proceeds of Crime (POCA)	4	49,477	2	11,486
Press releases and publicity	1	-		-
Deterrence subtotal	5	49,477	2	11,486
Total	70	2,259,749	100	299,470

2.7 Details of noteworthy cases are reported in Appendix 2.

3. WHISTLEBLOWING

3.1 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern that they believe they cannot discuss with their line manager.

3.2 Since April 2017 CAFS has not received any whistleblowing referrals (as defined in the policy) although one case referred during 2016/17 financial year remains an on-going investigation.

4. ANTI-FRAUD AND CORRUPTION STRATEGY

4.1 The Council's Anti-Fraud & Corruption Strategy is based on three key themes: Acknowledge, Prevent and Pursue, and is aligned to the National Strategy: *Fighting Fraud and Corruption Locally*.

4.2 The Strategy places emphasis upon the following anti-fraud activities:

- i. **Acknowledge:** recognising and understanding fraud risks and committing support and resource to tackling fraud to maintain a robust anti-fraud response.
- ii. **Prevent:** preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

- iii. **Pursue:** punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive law enforcement response.

5. **ACKNOWLEDGE, PREVENT, PURSUE**

(i) **ACKNOWLEDGE**

Committing support and resource to tackling fraud.

- 5.1 CAFS have recognised the need for a support officer to help facilitate and co-ordinate CAFS investigations at the earliest stages. To meet this demand, we have now created and recruited to a new "Trainee Investigator" post.
- 5.2 To maintain a high level of competence across CAFS, and to further improve the effectiveness of investigators, we have already planned for our officers to attend over 115 days training during 2017/18, and key training programmes attended so far include:
 - i. *CIPFA Accredited Counter Fraud Specialist Programme:* Criminal justice system & legislation; Anti-fraud culture and prevention; Investigation case management; Investigative interviewing and prosecutions.
 - ii. *Preventing and Tackling Fraud Across the Public Sector:* Participants will hear from leading organisations on the need to acknowledge, prevent and pursue fraud and corruption right across the public sector.
 - iii. *Tenancy Fraud Forum Conference:* A conference for anyone who works in tenancy fraud including investigators, auditors, housing.
 - iv. *Introduction to Internal Audit:* A bespoke course provided by CIPFA, and devised to introduce investigation officers to the techniques of internal audit, including the evaluation and testing of controls, risk assessments and report writing. This will enable investigation officers to further enhance the value of investigations through recommending detective and preventative controls to management to tackle control weaknesses identified through investigations.
- 5.3 By attending seminars and conferences, where best practice or new techniques are discussed, officers are able to bring these new ideas back to the organisation and implement them across the service.

Maintain a robust anti-fraud response.

- 5.4 From the Fraud Risk Register CAFS has identified some areas to be pro-actively researched and, where appropriate, investigated during 2017/18.

5.5 The majority of these activities are referred to Service Reviews and involve the review of current anti-fraud controls within a given service area, activity to test the effectiveness of the controls and making recommendations for improvement where necessary. In some instances, a Service Review may occur following an investigation which has identified control weaknesses. Details of sample activities are reported in *Appendix 2*.

5.6 Both the Fraud Risk Register and the pro-active operations are key elements of the operational plan that underpins and drives the Anti-Fraud and Corruption Strategy. It is referred to as the *Fraud Resilience Triangle*. The triangle is formed of:

Fraud Risk Register (*Acknowledge*)

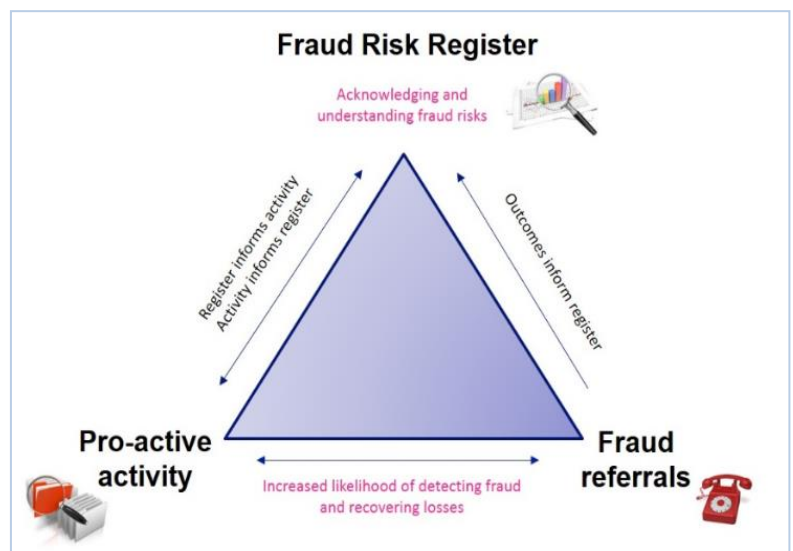
- The fraud risk register identifies possible frauds to which the participating authorities are exposed. It estimates both the possible impact of a given fraud and the likelihood of it occurring.
- The register is frequently reviewed to ensure that the risks are being appropriately managed, as well as informing and driving the Pro-active Work Programme.

Pro-Active Work Programme (*Prevent*)

- Responding solely with reactive referrals often fails to provide the levels of coverage required to prevent or deter fraud by increasing the likelihood of detection.
- Regardless of how successful a proactive fraud operation may be in detecting fraud, it can always serve as an effective deterrent if the work is done visibly.

Reactive Referrals (*Pursue*)

- The term reactive is derived from the fact investigators are reacting to intelligence from various sources (including proactive) and begin an examination path that focuses on the evidence which may validate said intelligence and lead to proven fraud.
- Reactive referrals are often the primary source of work for the fraud specialists and provide good leads, especially in organisations that have a strong anti-fraud culture, where the staff take responsibility for preventing, detecting and reporting instances of fraud.



(ii) PREVENT

Corporate investigations

- 5.7 Corporate investigations are defined as fraud cases which relate to employee fraud or other third party fraud which does not fall within a particular CAFS service areas such as Housing or Disabled Parking Fraud.
- 5.8 Since 1 April 2017 work in this area has resulted in:
- The dismissal of a member of staff whose immigration status had changed but they had failed to inform Human Resources;
 - A disciplinary hearing following an investigation into potential bribery; and,
 - Accessible transport fraud;

Housing/Tenancy Fraud

- 5.9 CAFS provides an investigative service to all aspects of housing, including the verification applications for housing support, as well as applications for the succession or assignment of tenancies.
- 5.10 CAFS also investigate allegations of subletting or other forms of tenancy breaches as well as the checking of all right to buys. For the period 1 April 2017 to 30 September 2017, CAFS have successfully prevented eight false applications; four requests for housing, and three successions.
- 5.11 In addition to the stopped housing applications, CAFS also stopped three cases where tenants had applied to receive a cash incentive in order to vacate their property or downsize accommodation. The three applications stopped were valued at £12,000.
- 5.12 CAFS have also recovered 13 properties including a four-bedroom address and a three-bedroom address, both of which are in high demand and can now be allocated to a family in genuine need of assistance. Of the 13 recoveries, eleven involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties can be promptly reallocated.

Right to Buy (RTB)

- 5.13 The number of RTB applications continues to rise with tenants benefiting from the scheme's significant discounts, £103,900.
- 5.14 CAFS apply an enhanced fraud prevention process to all new RTB applications, including anti-money laundering questionnaires as well as financial and residential verification.

- 5.15 For the period 1 April 2017 to 30 September 2017, CAFS have successfully prevented 24 Right to Buys from completion, where suspicion was raised as to the tenant's eligibility or financial status. In many instances, these have been as a result of the tenant voluntarily withdrawing their application once checking commenced.
- 5.16 In two cases, the checks undertaken to verify the RTB have uncovered additional criminality, namely subletting, and resulted in the properties being recovered as well as the RTBs being stopped.
- 5.17 The table below reflects the overall position for this period.

RTB applications	Stopped/Prevented	Completions	Pending
55	24	10	21

- 5.18 The prevention work undertaken by CAFS in respect of RTB continues to protect valuable Council stock.

Parking investigations

- 5.19 CAFS continue to investigate the misuse of disabled parking badges, and for the period 1 April, 2017 to 30 September 2017 have successfully investigated ten offenders who were all successfully prosecuted. A further nine cases are currently lodged with the Council's solicitors awaiting a court date.
- 5.20 From the successful prosecutions secured to date, fines totalling £2,360 were imposed, and defendants ordered to pay the Council a total of £3,314 in costs and victim surcharges.
- 5.21 CAFS also investigate the misuse of, and false application for, residents parking permits. For the period 1 April 2017 to 30 September 2017 have successfully investigated 32 offenders who have all had appropriate sanctions applied including one individual who was successfully prosecuted for using a false permit.
- 5.22 Details of sample activities are reported in *Appendix 2*.

National Fraud Initiative (NFI)

- 5.23 The National Fraud Initiative (NFI) is a data matching exercise carried out by the Cabinet Office, designed to help organisations identify possible cases of fraud, and detect and correct any consequential under or over-payments from the public purse.
- 5.24 The exercise is run every two years and matches electronic data within and between public and private sector bodies to identify inconsistencies which then require further investigation.

5.25 The data for the current exercise was provided by local authorities in September 2016 and potential matches were returned to the Council for further examination in March 2017, with new reports containing further matches being added throughout April, May and June.

5.26 The Cabinet Office refer the high risk cases as “recommended matches” and expect Councils to prioritise them. CAFS identified 1,160 recommended matches and the table below shows the result of CAFS progress:

Fraud identified	On-going	Closed no fraud	Outstanding
16	149	734	261

5.27 The most significant of the proven fraud involved a positive match between payroll data and Home Office immigration records, and indicated that a member of staff was no longer entitled to work in the UK. Further enquiries also confirmed that the employee no longer had leave to remain in the UK. Full details were provided to the UK Border Agency and the employee suspended, but she resigned ahead of any disciplinary action.

5.28 The other 15 positive outcomes included 14 individuals being removed from the Council’s waiting list, because their circumstances had changed and they now had acquired housing outside of Westminster, and the cancellation of a disabled parking badge.

5.29 The NFI exercise also contained matches in respect of Westminster Housing Benefit claimants. The NFI identified 175 of these matches which it recommends should be reviewed and investigated. Additionally, a selection of non-recommended matches was also reviewed for completeness. In total, 231 matches were reviewed.

5.30 The overall breakdown of cases by fraud type is detailed in the following table:

	Recommended matches	Closed no fraud	Fraud/Error identified	On-going	Outstanding
Payroll & Pensions	189	158	1	23	7
Housing	582	358	14	24	186
Parking	242	150	1	91	0
Council Tax	51	43	0	8	0
Other	96	25	0	3	68
Housing Benefit	175 + 56	202	1	1	27 *
TOTAL	1392	936	17	150	261

*Outstanding HB cases passed to DWP’s SFIS for investigation

(iii) PURSUE

Deterrence

5.31 Stopping fraud and corruption from happening in the first place must be our primary aim. However, those who keep on trying may still succeed. It is,

therefore, important that a robust enforcement response is available to pursue fraudsters and deter others.

Proceeds of Crime Act 2002 (POCA)

- 5.32 Prompt and efficient recovery of losses is an essential component in the fight against fraud, and the Proceeds of Crime Act is a crucial part of the Council's counter fraud strategy.
- 5.33 Currently, CAFS is progressing two significant POCA cases. The first, a tenancy fraud investigation, which during a house search led to the seizure of £52,000 in cash, and the second, a right to buy fraud, which is due to begin trial early next year. Both cases could result in sizeable awards and large compensation payments to the Council.
- 5.34 The Act remains a powerful deterrent, and through the support of a Shared Service financial investigator, it is deployed by the Council, where appropriate to recover fraud losses and deter potential fraudsters. The use of POCA by CAFS makes fraudsters aware that every effort will be made by the Council to recoup losses and confiscate assets gained as a result of criminal activity.

Sanctions and compensation

- 5.35 For the period 1 April 2017 to 30 September 2017, CAFS has successfully prosecuted eleven offenders, and currently, have fourteen cases lodged with the Council's solicitor for prosecution activity.
- 5.36 In addition to the prosecution action detailed above, CAFS has also received £11,486 in compensation payments which act as a further deterrence for those who might contemplate defrauding the Council.

David Hughes
Director of Internal Audit, Risk, Fraud & Insurance

Local Government Access to Information Act – background papers used:
Case Management Information

Officer Contact:

Andy Hyatt

Tri-borough Head of Fraud

Telephone 0207 361 3795

E-mail: andrew.hyatt@rbkc.gov.uk

2017/18 - Revised Fraud Savings

WORK ACTIVITY	RISK SCORE	DEFINITION	New 2017/87 VALUE	Comparison: 2016/17 VALUE
TENANCY FRAUD <i>Figures based upon a 2016 report, Temporary Accommodation in London: Local Authorities under Pressure by Julie Rugg University of York, which suggested the average annual cost to each Council, per annum = £3,917 (rising to an ave. £4,000 p.a. to incl. administration costs) but include local waiting times and availability of suitable sized property.</i> <i>UPO's take account of non-payment</i>	12	Property recovered	Ranging from £4,650 to £31,250 dependent upon size	Ranging from £54,000 to £62,000
		Succession stopped studio/1/2/3/4 bed – to include decants	£11,500	£54,000
		Assignment stopped/tenancy corrected studio/1/2/3/4 bed	£1,500	£18,000
		Suspended Possession Order studio/1/2/3/4 bed	£1,500	£18,000
		UPO judgement awarded	£ value (30%)	100% value
		UPO judgment satisfied	£ value (70%)	N/A
HOUSING FRAUD <i>Cash cost calculated by Housing Department</i>	12	Discharge Duty (<i>actual cost to RBKC of 1 year in TA</i>)	£2,044	£18,000
		Removed from CHR (<i>average administration fees</i>)	£500	£18,000
RTB <i>Administration costs and valuation fees</i>	8	Withdrawal at initial stage prevention	£1,500	£103,900
		Withdrawal following interview (<i>suggests more intent</i>)	£3,000	£103,900
		RTB fraud proven (ineligibility) – 10% of the discount	£10,390	£103,900
BUSINESS RATES (NNDR)	8	Exemption fraud - Revised billing	£ value (70%)	100% value
COUNCIL TAX	8	Exemption fraud – SPD or Student	£ value (70%)	100% value
CTRS & DEBTS	3	Overpayment identified	£ value (25%)	100% value
BLUE BADGE <i>Figures last calculated by the National Fraud Authority</i>	6	Blue Badge – prosecution	£3,500	£5,644
		Blue Badge – physically recovered and destroyed	£1,231	£5,644
		Blue Badge – misuse – seizure/warning/cancellation	£323	No change
		Blue Badge – removal of bay	£3,500	£5,644
FREEDOM PASSES <i>Average charge per pass to Council</i>	6	Freedom passes fraud	£330	No change

PRO-ACTIVE OPERATIONS

Source	Fraud Review	Details	Risk
Pro-active counter fraud work plan	<p>Housing and Tenancy Fraud</p> <p>National Fraud Initiative (NFI) 2017</p> <p>Review the "highly recommended" housing tenancy matches, generated by the Cabinet Office NFI exercise, which suggests potential fraud risks.</p>	<p>Review the recommended matches in the following 12 National Fraud Initiative 16/17 reports, Reports 100, 104, 111, 315, 468, 469, 102, 103, 105, 113, 316, all in respect of Housing Tenant data matches.</p> <p>These reports generated a total of 115 potential fraud risks, and following reviews, checks, and investigations 76 have been closed off, and no fraud identified. However, 39 remain under investigation, and the outcomes of these will be reported later in the year.</p>	<p>Until the findings of this exercise are concluded the risk remains unchanged.</p> <p>No change</p> <p>↔</p>
Pro-active counter fraud work plan	<p>Procurement</p> <p>eLearning Course circulated to Procurement officers at Westminster</p>	<p>A bespoke eLearning course was created for procurement officers covering the following topics;</p> <ul style="list-style-type: none"> • Procurement fraud and the warning signs • Bid-rigging • Bribery and corruption • Gifts and hospitality • Conflicts of interest <p>26 officers enrolled on the course, which concluded with an evaluation test to verify understanding. Officers scored an average of 84% against a pass mark of 70%.</p>	<p>Although the eLearning is a positive action towards heightening of awareness, the risk of procurement fraud remains unchanged.</p> <p>No change</p> <p>↔</p>

<p>Counter fraud work plan</p>	<p>RTB improvements</p> <p>The audit of the Right to Buy process in 2016/17 identified four areas for improvement, and these were treated as actions for completion in the 2017/18 Counter fraud work plan:</p>	<p>All actions have been completed, and they were;</p> <ol style="list-style-type: none"> 1) Version controlled process maps and form. 2) Service Level Agreement (SLA) between Lessee Services and CAFS, which has been included in the overall CityWest Homes/CAFS SLA. 3) Records of CAFS live cases shared and reconciled each month with Lessee Services to ensure no case is delayed. 4) Bespoke fraud awareness training for Lessee Service, which was provided to all staff in the service via an eLearning package. 	<p>The involvement of CAFS in the RTB process and these implemented improvements have reduced the “<i>likelihood</i>” from 4 to 3</p> <p>Risk reduced</p> <p style="text-align: center;">↓</p>
<p>Pro-active counter fraud work plan</p>	<p>Petty Cash</p> <p>Scoping exercise on petty cash and impress accounts to identify and record/document all petty cash systems to create a directory for future Service Reviews.</p>	<p>The scoping exercise identified 30 sites where cash is collected and maintained securely. This included eleven libraries and thirteen schools.</p> <p>Work has detailed;</p> <ul style="list-style-type: none"> • Key contacts • Float balances, averages and annual amounts • Frequency of collections • Locations <p>This initial work will inform stage two of the plan which will include site visits and sampling in quarters three and four. At present no change to risk at present given the objectives.</p>	<p>This scoping exercise has identified areas to review in quarters 3 and 4</p> <p>No change</p> <p style="text-align: center;">↔</p>

<p>Pro-active counter fraud work plan</p>	<p>Data Analytics</p> <p>Applying analytic data techniques, including Benford's Law, against payment data to identify discrepancies for further investigation.</p> <p>Using analytics gives the work;</p> <ul style="list-style-type: none"> • credibility • risk-based analysis • focus, • coverage, and • an increased chance of finding fraud. 	<p>Quarter one data for all Council payments and all Procurement Card transactions analysed. The payment frequencies and amounts showed no significant peaks or troughs which might signify potential fraud or require closer inspection or sampling.</p> <p>CAFS will continue to analyse data in quarters 2,3 and 4.</p>	<p>The analytics provide assurance but insufficient data to amend risk scores which remain unchanged.</p> <p>No change</p> <p style="text-align: center;">↔</p>
---	---	--	---

NOTEWORTHY INVESTIGATIONS

	Case Description
1.	<p>BRIBERY AND CORRUPTION - Anonymous allegation received via public facing Westminster City Council website that employee had been taking bribes from a local business on Edgware Road in exchange for providing confidential information.</p> <p>The Head of Service was aware of a history of similar malicious allegations in the service area, but these had always been dealt with correctly, and there had never been a named individual to investigate.</p> <p>Following an initial scoping meeting it was agreed to investigate to check internal records for any links between the employee and the company, including monitoring. These identified no evidence to support the bribery allegation. However, other conduct issues were identified including the excessive personal use of the internet.</p> <p>Following consultation with the manager it was agreed that they would proceed informally at the first stage and following a management interview, the excessive internet use was admitted by the employee. The employee is now subject to a performance improvement action plan which will be reviewed after three months.</p> <p>The final report recommended that the service area is enrolled in CAFS anti-bribery and corruption e-learning to support the managers in managing the risk in their service area. This was agreed and completed.</p>
2.	<p>RIGHT TO BUY and TENANCY FRAUD (CWH) - As part of the prevention process all Right to Buy applications are vetted by CAFS. During this process an application for a Goldney Road property raised concerns, and the file was referred to an investigator.</p> <p>The subsequent investigation revealed that the tenant had failed to declare that he owned two properties. It was also established that he owned these properties before making an application for housing in 2013 and had failed to declare them on his housing application form.</p> <p>The tenant was invited to an interview under caution but failed to attend. Instead, he relinquished his tenancy by returning the keys to the estate office and providing CityWest with a vacant possession forthwith.</p>

<p>3.</p>	<p>EMPLOYEE (Immigration) – A positive data match in the National Fraud Initiative (NFI) 2017 compared payroll data to immigration data. The subsequent referral stated that a City Council employee had no right to work in the UK.</p> <p>Checks showed the individual was employed as Assistant Head Cook at a local Primary School.</p> <p>UK Border Agency (UKBA) confirmed via a NFI web application that there was no current right to work and the school was contacted via the Council's Human Resources Department. They advised that this issue had been raised the previous year and the employee had claimed to have "Indefinite Leave to Remain although she had lost the UK passport which contained the immigration vignette (an authorisation stamp).</p> <p>Further enquiries with UKBA provided a detailed immigration history showing that there is no Right to Work and no Leave to Remain, and they consider her to be an immigration absconder.</p> <p>Enquiries with UK Passport Agency confirmed that they had never issued a passport to the employee.</p> <p>The school suspended the employee in light of these responses, and she resigned without notice before the investigation meeting was due to take place.</p>
<p>4.</p>	<p>HOUSING FRAUD – Temporary Accommodation - Allegation received from Housing Options Service (HoS) that applicant may not be residing in the out of borough temporary accommodation. She had failed to respond to contact, and the landlord of the Barking Road address had stated she had not been seen at the property.</p> <p>Background checks showed that the applicant remained linked to the family address in Westminster from which she claimed to have been excluded.</p> <p>Simultaneous visits were carried out, and the applicant and her brother (party to the application) were both found at the family address, and the officers believed that she had always resided at this address.</p> <p>Further enquiries verified that she has always operated in and around the Westminster area, with no activity such as cash withdrawals or movements occurring in the Barking area, the location of her temporary accommodation placement.</p> <p>All details were provided to HoS who believed there was sufficient evidence gathered to prove the applicant was not using the temporary accommodation properly, but instead living at the address she had claimed she was excluded from.</p> <p>HoS discharged their duty to house the applicant.</p>

<p>5.</p>	<p>PARKING PERMIT - Referral from NSL staff stated a renewal application at from an address in Newport Place appeared strange as this is area is in the heart of Chinatown and primarily a location for restaurants rather than residential properties.</p> <p>Visits to the address proved it was a restaurant and when officers managed to track down the applicant to a Woolwich address, he admitted living outside Westminster. In mitigation, he said that he sometimes stayed over at the restaurant in Chinatown but now realises he made a mistake.</p> <p>The permit was cancelled and was subsequently returned. The renewal was quashed and no refund made.</p>
<p>6.</p>	<p>RIGHT TO BUY and TENANCY FRAUD (CWH) - Allegation received that tenant of a CityWest property in Swain Street also owned another property in Ilford which had not been declared as part of his housing application, and he had subsequently fraudulently obtained a council tenancy.</p> <p>Background checks confirmed that the tenant owned property which had been rented out since it was purchased and that he had received Housing Benefit directly from Barking & Dagenham as the landlord of the property.</p> <p>The tenant had also made an RTB application which was suspended due to the investigation and subsequently withdrawn by the tenant before he attended an interview under caution.</p> <p>Joint working with DWP was attempted, and a joint interview was carried out during which the tenant and his partner made no comment to the allegations.</p> <p>Following the interview the tenant's solicitor made representations, and the Swain Street property was relinquished forthwith and quickly allocated to a family in genuine need of support.</p>
<p>7.</p>	<p>TENANCY FRAUD – CAFS received an anonymous report suggesting four flats in Naylor House, Bruckner Street, W10 were possibly being sublet.</p> <p>In three of the cases, investigations were completed and no fraud found, however, in the fourth case it was discovered that the tenant of a flat was living in Islington with his wife while allowing his brother to occupy the Westminster address.</p> <p>The tenant and the brother were both questioned while under caution, and at the end of the interviews agreed to return the keys to the property to CityWest Homes.</p>

<p>8.</p>	<p>BLUE BADGE FRAUD – During a routine inspection of disabled bays, a CAFS investigation officer observed a male park a private hire vehicle in a Disabled Bay close to Oxford Street.</p> <p>When challenged as to the badge holder's whereabouts the driver attempted to fabricate an explanation that his sister, the badge holder, was currently shopping on Oxford Street and he was waiting for her.</p> <p>Following further cross-examination he finally admitted that his sister was in Brent and had not been anywhere near Oxford Street that day. He accepted that he had unlawfully parked his vehicle using his sister's disabled blue badge to avoid parking fees.</p> <p>The case was heard at Westminster Magistrates Court by District Judge Coleman. The defendant was in attendance, unrepresented and entered a guilty plea.</p> <p>The judge imposed a fine of £166 and ordered the defendant to pay the Council costs of £450 and a victim surcharge of £30. The defendant was ordered to pay £300 within 24 hours and remaining £346 by the end of April 2017.</p> <p>The defendant was given 28 days to pay the £660, and a collection order was made in the event of non-payment.</p>
<p>9.</p>	<p>RIGHT TO BUY and TENANCY FRAUD (CWH) - Referral received from CWH lessee services who upon receipt of an application under the RTB scheme, undertook a visit to the York Mansions property. During this visit, the tenant was not present, but two other persons were. They claimed the tenant was in the hospital.</p> <p>CAFS investigators undertook further "out of hours" visits. However, these were unsuccessful in establishing occupants, but these did prompt the tenant to withdraw her application for the RTB.</p> <p>The investigation identified other persons linked to the property and showed that the tenant had spent significant periods of time abroad, and information including financial records suggested she was living in the USA with her newly married husband and her daughter.</p> <p>Letters and notices were served against the property, but this failed to prompt any contact. However, following email correspondence, the tenant confirmed her whereabouts in the USA, and advised that she did not know when she would be returning, which in itself demonstrated a lack of intent to return. She also stated that she did consider the York Mansions flat to be her main home and relinquished the tenancy.</p> <p>No further action was considered given the overseas residency and their intention to remain there for the foreseeable future.</p>

10. TENANCY FRAUD - A referral from CityWest officers suggested that the tenant of a two-bedroom flat in Princethorpe House was not living at the property.

Initially, a check of the tenant's financial records linked her to addresses in Borehamwood, Hertfordshire, and potential residency in this area was further evidenced when her bank statements showed that cash machine withdrawal transactions were all undertaken in this area and not Westminster. Furthermore, the investigating officer also discovered that her employment was located in the area.

However, while the financial records suggested the tenant lived in Hertfordshire, there were no transactions such as regular credits, which would have suggested Princethorpe House was sublet.

A series of failed visits and interview requests ensued, and conversations with neighbours confirmed that they had not seen the tenant for over two years.

The investigator finally traced the tenant to a particular property in Borehamwood, and enquiries with the property owner confirmed our tenant was privately renting the property.

A letter inviting her to attend an interview under caution was sent to the Borehamwood address and duly attended the agreed appointment. She denied that she lived in Borehamwood, saying it was her boyfriend's father's place and that she just used it to stay over occasionally. However, when officers probed further asking about tenancy agreements, utility bills and financial transactions she evaded an answer, became quite emotional and asked officers to stop the interview.

A week after the interview under caution she contacted the investigating officer providing a signed termination letter returning the property with effect from 30 June 2017.

Without evidence that the tenant has been illegally subletting the flat at Princethorpe House, there were no criminal charges laid and vacant possession was accepted forthwith.

11.	<p>TENANCY FRAUD & CASH INCENTIVE SCHEME – A case was referred to CAFS by the Estate Office who had concerns that the tenant of a flat in Parkinson House, Tachbrook Street, SW1, was not residing at the property. Several visits to the address, to see the tenant, had been unsuccessful.</p> <p>A credit report linked the tenant to a property in Hackney where she held active credit accounts along with her bank account. Subsequent enquiries identified this property to be owned by family members of the tenant.</p> <p>Visits to Parkinson House remained unsuccessful, but a visit to the Hackney address led to contact from the tenant.</p> <p>On 19 June 2017, the tenant spoke to investigators and terminated her tenancy forthwith, although in doing so she asked for payment under the cash incentive scheme, which is meant for tenants who genuinely give up their property or downsize.</p> <p>Given the evidence linking her to Hackney for some time before the investigation uncovering the truth, she was deemed ineligible, and the application for £5,000 refused.</p>
12.	<p>RIGHT TO BUY and TENANCY FRAUD (CWH) - As part of the prevention process all Right to Buy applications are vetted by CAFS. During this process an application for a Goldney Road property raised concerns, and the file was referred to an investigator.</p> <p>The subsequent investigation revealed that the tenant had failed to declare that he owned two properties. It was also established that he owned these properties before making an application for housing in 2013 and had failed to declare them on his housing application form.</p> <p>The tenant was invited to an interview under caution but failed to attend. Instead, he relinquished his tenancy by returning the keys to the estate office and providing CityWest with a vacant possession forthwith.</p>

<p>13.</p>	<p>RESIDENT PARKING FRAUD - In June 2016 an anonymous allegation was received stating that a vehicle was being parked in Wilton Crescent or Belgrave Place SW1X (this location is controlled parking zone "A") with a 'forged' resident parking permit and that this had been going on for some time. It was claimed that the driver of the vehicle worked in Waitrose close to where the car was being parked.</p> <p>An investigation established the driver lived in Kilburn Lane which was in Westminster's controlled parking zone "C." He was entitled to a permit because of his residency at this address, but he was not entitled to a zone "A" permit as seen on display in the vehicle when parked in the SW1 area. The investigation also established that the driver was employed, full time, at the Belgravia branch of Waitrose, further corroborating the original allegation.</p> <p>As a result, evidence was obtained which proved the driver and his vehicle were regularly parking in the SW1 area due to a forged A zone residents permit.</p> <p>The driver was charged with eight offences of possession of articles for use in fraud, contrary to Section 6 of the Fraud Act 2006, in respect of the various times, his vehicle was seen parked with the counterfeit resident parking permit on display. He was charged with two offences of producing an article for use in fraud, contrary to Section 7 of the Fraud Act 2006, in respect of the creation of two counterfeit resident parking permits.</p> <p>At Westminster Magistrates Court on 31 May 2017 he entered guilty pleas in respect of each charge. He was sentenced to 26 weeks in custody, suspended for 12-months, and ordered to undertake 200 hours of unpaid community service. Also, the Council was awarded £2,000 in compensation, to be paid within 12-months.</p>
<p>14.</p>	<p>BLUE BADGE FRAUD – During an inspection regime in and around Great Portland Street, W1, the Blue Badge investigator noticed a BMW 1-series being parked in a Disabled Bay. When the driver, and only occupant, emerged from the vehicle our investigator approached and ask him about the Blue Badge that he had placed on display on the vehicle dashboard.</p> <p>The driver initially refused to provide the badge for inspection saying he was, "late for work." However, having been informed his refusal could constitute an offence, he handed it over as requested. The badge proved to have been issued to a Camden resident who the driver explained was his mother.</p> <p>When asked where his mother was, the driver admitted she was at her doctor's surgery in Camden. He said he had dropped her off there earlier that morning, and then parked in Great Portland Street to do some shopping for her before going to work.</p> <p>On 26 July 2017 at Westminster Magistrates Court, the driver entered a guilty plea by post, he wasn't in attendance.</p> <p>The District Judge ordered him to pay a fine of £400, to pay the Council £450 costs and a victim surcharge of £40.</p>

15.	<p>TENANCY FRAUD (Peabody Trust) - An investigation commenced into a possible residents parking permit fraud at a Peabody Trust property in Wild Street. An application had been received from a person who was not linked to the property.</p> <p>The investigation revealed that the property was not being occupied by the registered Peabody tenant, but the investigator was unable to establish who was occupying the address. However, the investigator did discover that the real tenant had been sent to prison in 2015 for a sentence of four years, but that serving his sentence in Wandsworth Prison he was subsequently deported back to France.</p> <p>The evidence gathered by CAFS was presented at a court hearing on 23 August 2017 where outright possession order being awarded to Peabody. The tenant was ordered to pay £661.84 rent arrears, and the tenant and his associates were ordered to pay Use and Occupation charges of £15.03 daily which amounted £4,148.</p> <p>Peabody has since confirmed Westminster have been allocated nomination rights to the property.</p>
------------	---