



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Wednesday 1 st December 2021
Classification:	For General Release
Title:	Counter Fraud 2021/22 – Half Year Progress Report
Wards Affected:	All
Financial Summary:	No direct financial implications arising from this report.
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1. Executive Summary

- 1.1 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 2021 to 30 September 2021.

2. Recommendations

- 2.1 The Committee notes the content of the report.
- 2.2 The Committee indicate any areas of the report that require further investigation.

3. Reasons for Decision

- 3.1 To inform Members of how the City Council is delivering its anti-fraud and corruption strategy.

4. Background

- 4.1 This report provides an account of counter-fraud related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2021 to 30 September 2021.
- 4.2 CAFS remains a shared service providing Westminster City Council with a complete, professional counter fraud and investigation service for fraud attempted or committed against the authority.
- 4.3 All CAFS work is conducted within the appropriate legislation and through the powers and responsibilities as set out within the financial regulations section of the Council's constitution. CAFS ensures the Council fulfils its statutory obligation under the Local Government Act 1972 to protect public funds and to have an effective system of prevention and detection of fraud and corruption.
- 4.4 During the first six months of this financial year, 2021/2022, CAFS investigated 420 cases, including 152 new referrals, and concluded 186 investigations. A conclusion could mean support of a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and prevents it from continuing, an action that deters fraud, or no further action where there is no case to answer.
- 4.5 The table below shows this activity and details the fraud types that make up the closed cases and the active caseload at the start of the current financial year.

Activity	Cases	Fraud types	Closed	Live
Live cases as at 01/04/21	261	Tenancy & Housing cases	109	107
New referrals received	152	Insider fraud	4	4
Closed investigations (Positive outcomes 103)	186	Other Corporate	60	69
		Parking and Blue Badges	13	44
Live cases as at 30/09/21	227	POCA	0	3

- 4.6 Case details are reported in Appendix 1.
- 4.7 For the period 1 April 2021 to 30 September 2021, CAFS identified 103 positive outcomes. Fraud identified has a notational value of £470,000 and is detailed in the following table. The table also compares the achievements against those for the first six months of 2019/20 (pre-pandemic) and 2020/21 (pandemic).

4.8

Activity	Half-year 2019/20		Half-year 2020/21		Half-year 2021/22	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud	6	7,600	1	2,000	8	24,210
Right to Buy	10	12,300	17	22,700	1	3,500
Preventative Activity (incl.pro-active)	6	15,000	-	-	5	6,500
Prevention subtotal	22	34,900	18	24,700	14	34,210
Tenancy Fraud (Council and Registered Providers)	22	223,900	1	17,500	13	194,000
Insider fraud	1	2,000	-	-	3	37,000
High/Medium risk fraud (e.g. NNDR, Procurement, Duplicate invoices)	3	45,000	1	3,500	9	39,638
Low-risk fraud (e.g. Freedom passes, Council Tax SPD)	4	5,299	5	4,888	3	1,323
Disabled Parking	33	64,600	20	21,406	50	89,175
Resident's Parking	7	5,300	57*	28,912	6	7,176
Detection subtotal	70	346,099	84	76,206	84	368,312
Proceeds of Crime (POCA)	4	93,371	2	36,262	-	-
Business Grant clawbacks	-	-	-	-	5	67,800
Deterrence subtotal	4	93,371	2	36,262	5	67,800
Total	96	474,370	104	137,168	103	470,322

*results from a special data matching exercise

5. Whistleblowing

5.1 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern.

5.2 Since April 2021, CAFS has received two new referrals. One was closed following a fact-finding investigation that could not corroborate the content of the allegation, while the second remains under investigation.

Allegation	Outcome	Case status
2019/20		
i. Dishonest behaviour and Conflicts of Interest	Following a fact-finding investigation, CAFS were unable to corroborate the allegations. Accordingly, CAFS discussed findings with HR, who were satisfied that the allegation was unfounded and that no further action was required.	Closed
ii. Anonymous letter alleging bribery	The investigation remains ongoing.	Ongoing

6. Anti-Fraud and Corruption Strategy

6.1 The Council's Anti-Fraud & Corruption Strategy covering 2020/23 is based on five key themes:

- i) Govern
- ii) Acknowledge
- iii) Prevent
- iv) Pursue
- v) Protect

6.2 The Strategy is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds. It contains an action plan to provide management with a tool to ensure progress and transparency concerning counter-fraud activities.

i) GOVERN

A robust framework of procedures and policies

7.1 Minimising any losses to fraud and corruption is an essential part of ensuring that the Council's resources are used for the purposes they are intended and ensuring we remain resilient to the threat of fraud.

7.2 Having a framework of anti-fraud policies is a critical tool in communicating the Council's stance and processes regarding fraud and how it will be dealt with. Anti-fraud policies also raise awareness amongst staff that response plans have been devised to deal with and minimise the damage caused by fraud.

7.3 Therefore, it is vitally important that policies are kept up to date to support and guide Council staff, ensuring compliance with laws and regulations, giving guidance for decision-making, and streamlining internal processes.

7.4 CAFS review the key anti-fraud policies, at least annually or when legislation changes, and these are presented to the Audit and Performance Committee for their review and approval. This demonstrates to staff a tone from the top and that the Council take the threat of fraud seriously and that we will take the most vigorous possible action against those who commit fraud against the Council.

ii) ACKNOWLEDGE

Demonstrating that it has a robust anti-fraud response

8.1 Counter-fraud activity is reported to the Audit and Performance Committee twice per year, detailing performance and action in line with the Anti-Fraud and Corruption Strategy. The annual performance report also describes the activity, achievements and outcomes against the strategic objectives.

- 8.2 A well-publicised anti-fraud and corruption strategy and framework of policies help build and develop a robust anti-fraud culture. This encourages staff and service users to participate in fraud prevention and to report any suspicions.
- 8.3 CAFS report on investigation outcomes, including successful prosecutions, prevention activity, actions that deter fraud, or no further action where assurance is obtained that there is no case to answer.

iii) PREVENT

- 9.1 In addition to the specialist investigative role, CAFS continue to provide advice and support across the organisation, including the Council's partners and contractors.
- 9.2 This type of advice and support is essential during emergencies such as a pandemic when the fraud threat is higher than at other times for some services.
- 9.3 CAFS continues to remind staff and management of their responsibilities to prevent fraud and corruption and raise awareness training that highlights the risks and consequences of fraud against the Council and the wider community.
- 9.4 Bespoke courses help employees better connect the messages of the training to their daily responsibilities. It also helps staff identify suspicious activity and feel empowered to act against potential fraud.
- 9.5 In response to an audit recommendation regarding fraud awareness, staff working in the Bi-Borough ASC Financial Services undertook bespoke training. A total of 25 officers completed the course and learning assessment, scoring an average of 90% against a 70% pass mark.

Corporate investigations

- 9.6 Corporate investigations cover a wide range of different counter-fraud activities, including, but not limited to, financial investigations, complex third-party fraud investigations, contractor or employee fraud, or actions and activities that contribute towards a practical assurance framework.
- 9.7 Since 1 April 2021, corporate investigation work has included:
- Ex-Employee – A successful prosecution of an ex-employee who had stolen several laptops from a storage location at Lisson Grove. The individual was sentenced to 12 months imprisonment (Suspended for 18 months) and ordered to carry out 120 hours of unpaid work.
 - Employee - CAFS received an anonymous whistleblowing referral via the online fraud reporting webpage that an employee was awarding contracts to companies with whom they were a director. Following a fact-finding investigation, CAFS were unable to corroborate the allegations.

CAFS discussed findings with HR, who were satisfied that the allegation was unfounded and that no further action was required.

- Employee – Investigation into an employee who allegedly owned property in India that was never disclosed when claiming welfare benefit. The findings had no bearing on the rate of welfare benefit the individual received.
- Personal Budgets – CAFS investigated the misuse of a clients Personal Budget payments by her son. The investigation identified an overpayment of £25,000, although the prosecution case failed the public interest test. Recovery remains ongoing.
- Employee - CAFS provided support to WCC Employee Relations Team looking into two allegations of secondary employment. Action has included carrying out searches with electronic fraud tools to confirm if there has been any secondary employment in the public sector, Companies House searches for business links, and online research to identify any additional information. The checks identified no secondary work, and the investigating officer fed this back to Employee Relations colleagues to provide assurance and support their ongoing activity.
- Employee - An employee who had registered two businesses from council premises. Premises where the individual worked. In both instances, the council address had received correspondence for these businesses. Management had taken initial action to address the matter directly with the employee, who instantly changed the addresses. CAFS reviewed the incident to ensure that all issues had been addressed and ascertain any previously unknown fraud risks.
- Housing – A resident raised a concern regarding the allocation of social housing and why some successful bidders had less than 100 points. They were concerned that applicants had fraudulently circumvented the allocation process. Basic enquiries confirmed that the addresses referred to were all community support units, only eligible to applicants over 60 who have been assessed for this type of accommodation.

9.8 Cases of note are reported in Appendix 1.

Housing/Tenancy Fraud

9.9 CAFS provides an investigative service to all aspects of housing, including requests for the succession or assignment of tenancies, allegations of subletting or other forms of tenancy breaches, as well as right to buy verification. The objective is to effectively prevent and detect housing tenancy fraud and assure key stakeholders that applicants' eligibility for housing services are appropriately verified before being offered a tenancy.

- 9.10 Last year the pandemic disrupted achievements in this service area. In addition, changes to legislation, social distancing restrictions and limited access to courts all affected the number of fraud recoveries. However, as restrictions began to lift and investigators returned to standard operating procedures, there has been an upshift in achievements.
- 9.11 From 1 April 2021 to 30 September 2021, CAFS had successfully recovered thirteen properties, stopped six false housing applications and prevented one suspicious right to buy.
- 9.12 Additionally, ten recoveries involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties could be promptly reallocated.
- 9.13 Full details of all successful investigation activity regarding social housing are detailed in the table below, and noteworthy cases are reported in Appendix 1.

Landlord	Location	Postcode	Size bedrooms	Reason for recovery	Outcome
Council	Lavendon House	NW8	3	non-residence	Surrendered keys
Council	Naylor House	W10	1	non-residence	Surrendered keys
N/Hill Genesis	Harrow Rd	W9	2	non-residence	Surrendered keys
Council	Huxley House	NW8	2	non-residence	Surrendered keys
Council	Opie House	NW8	1	non-residence	Surrendered keys
Council	1-6 Dufours Place	W1F	1	subletting	Surrendered keys
Soho Housing	Sandringham Flats	WC2H	2	subletting	Court possession
Council	Fourth Avenue	W10	1	false application	Surrendered keys
Council	Rogers House	SW1P	3	false application	Court possession
Council	Lutyens House	SW1V	2	non-residence	Court possession
Council	Rogers House	SW1P	2	false statement	Surrendered keys
Council	Helsby Court	NW8	1	subletting	Surrendered keys
Council	Henry Wise House	SW1V	2	False succession	Succession stopped

Parking investigations

- 9.14 CAFS continue to investigate the misuse of disabled parking badges and fraudulently claimed residents parking permits. Although the direct monetary value of parking fraud is relatively low, the reputational risk concerning this area is significant for Westminster City Council.
- 9.15 Like other service areas, the pandemic has significantly disrupted achievements, but outcomes have improved as on-street investigative activities returned to normal. Additionally, there has been a clearing of backlogged cases that had been delayed at the Magistrate Courts.
- 9.16 For the period 1 April 2021 to 30 September 2021, CAFS successfully prosecuted 30 offenders for misusing disabled parking badges. In addition, CAFS has also cautioned two offenders and, in two separate incidents, seized badges that had been wrongfully issued.

- 9.17 From the successful prosecutions, the courts imposed fines totalling £6,530, and defendants were ordered to pay the Council a total of £11,700 in costs and victim surcharges.
- 9.18 CAFS also investigate the misuse of residents parking permits and any suspicious applications. For example, CAFS received a tip-off that a café owner in Abbey Road, NW8, had fraudulently obtained a WCC residents parking permit even though they did not live in Westminster.
- 9.19 Following an investigation, CAFS took prosecution action regarding an offence under section 15(1) Theft Act 1968 and section 2 The Fraud Act 2006. The defendant pleaded guilty and was sentenced on 14 July 2021 at the City of London Magistrates Court. The defendant was sentenced to 12 months conditional discharge, ordered to pay £1,700 compensation, costs to the Council of £2,000 and a victim surcharge of £21.
- 9.20 Cases of note are reported in Appendix 1.

National Fraud Initiative (NFI)

- 9.21 A vital component of the anti-fraud and corruption strategy is making better use of information and technology. To this effect, the Council participates in the biennial National Fraud Initiative (NFI), an electronic data matching exercise coordinated by the Cabinet Office.
- 9.22 Over 1,200 public and private sector organisations participate in the NFI, including councils, the Police, hospitals, and nearly 100 private companies, all helping to identify potentially fraudulent claims and errors. The outcomes to date for the 2020/2021 NFI matching exercise are detailed below.

Matches	Fraud/Error	Amounts
Housing Benefits	6	£76,206.11
Blue Badge Parking Permit	16	£9,775.00
Resident Parking Permit	1	£156.00
Common Housing Register	2	£6,480.00
Duplicate invoices	8	£13,646.61
	33	£106,263.72

- 9.23 These figures (except the Housing Benefit cases, DWP matters) are included in the table at 4.8.

iv) PURSUE

- 10.1 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, essential that a robust enforcement response is available to pursue fraudsters and deter others.

Sanctions

- 10.2 The Council will always seek the strongest possible sanction against any individual or organisation that defraud or attempt to defraud the Authority. Since April 2021, CAFS has successfully prosecuted 32 offenders as well as issued two formal cautions where appropriate.

COVID Business grants

- 10.3 Since the pandemic, Westminster City Council, has supported over 8,000 businesses administering over £200m of the Government's covid business grant support.
- 10.4 Throughout this process, the Council, has been tuned and alert to fraud risks, following all Government guidelines, including low-friction controls designed to ensure councils processed payments swiftly as well as post-event assurance work.
- 10.5 CAFS has supported the Business Grant Team with these checks and due diligence work, including electronic checks to identify and verify the applicant and business, including the beneficiary account.
- 10.6 In some cases, there were instances where the Council paid businesses in error because details of eligibility only came to light as part of the post-event assurance work. For example, where a company had left premises without the landlords disclosing the change to the Council. These were mostly deemed "errors" in line with Government guidance, and the Business Grant Team commenced clawback (recovery) action.
- 10.7 The table below shows the number of clawbacks and recovery to date.

Activity	Cases	Amounts
Clawbacks (Round 1 & 2)	105	£1,370,888
Recovered	49	(£591,250)
Outstanding	56	£779,638

- 10.8 Where information may have been intentionally withheld, or false information provided by the business to obtain grants they were not entitled to, cases were referred to CAFS for further investigation.
- 10.9 The table below details CAFS activity to date.

Activity	Cases	Amounts
Clawbacks referred to CAFS	28	£390,689
Clawback resolved/recovered	5	(£67,860)
Insolvent/Unable to trace – to be passed to Dept. Business, Energy & Industrial Strategy for recovery	8	(£76,334)
Investigation and recovery action ongoing and potential fraud prosecution	15	£246,495
Outstanding	15	£246,495

Collaboration

- 10.10 One of the critical themes that sit under the "Pursue" strategic objective is collaboration. By collaborating effectively, local authorities can use existing powers and tackle fraud locally and across geographical boundaries.
- 10.11 During the pandemic, CAFS worked closely with the Cabinet Office to utilise the facilities of their NFI data matching system.
- 10.12 By matching parking permit data between Westminster City Council and the Royal Borough of Kensington and Chelsea, a total of 60 permits, with a notional fraud value of £31,200, were revoked and the permits cancelled.
- 10.13 The Cabinet Office was so impressed by the simplicity of the match and outcomes achieved that they have now decided to roll this out across the capital and have requested data downloads from all London councils for a more substantial matching exercise later in the year.

v) PROTECT

- 11.1 This aspect of the Strategy covers counter-fraud activity to protect public funds, saving the Council from fraud and protecting itself from future scams.
- 11.2 CAFS remains an active member of the National Anti-Fraud Network (NAFN), disseminating national fraud alerts that CAFS circulates to the appropriate departments. CAFS also offers support and advice to ensure proper action is taken in response to the warnings and protect the Council and the community from fraud.
- 11.3 CAFS also works with a variety of social landlords and statutory agencies to help detect fraud and ensure that those living in affordable housing across the borough are correctly entitled.

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

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PRO-ACTIVE OPERATIONS

Source	Fraud Review	Details	Risk
<p>Fraud Awareness</p>	<p>Bi-Borough ASC Financial Services</p> <p>CAFS continue to remind staff and management of their responsibilities concerning preventing fraud and corruption.</p> <p>Raise awareness of fraud against the Council through bespoke training, highlighting the risks and the consequences of fraud against the Council and the wider community.</p> <p>Bespoke courses help employees better connect the messages of the training to their daily responsibilities. This type of anti-fraud training also helps staff identify suspicious activity and feel empowered to act against potential fraud.</p> <p>Strategic objective: Developing a more effective anti-fraud culture</p>	<p>In response to an audit recommendation regarding fraud awareness, staff working in the Bi-Borough ASC Financial Services undertook an online course which concluded with a knowledge assessment to evidence learning. The evaluation aims to measure how well a learner has understood the course content. Additionally, these assessments also help learners gauge their knowledge and learning progress.</p> <p>The course highlighted general fraud risks experienced by local authorities and the consequences of fraud on the Council and the wider community.</p> <p>It covered different fraud types and fraud indicators so officers could remain vigilant in how to spot fraud and how to prevent fraud. The course also provided clear advice on what officers should do if they suspect fraud and refer their concerns.</p> <p>A total of 25 officers completed the course and learning assessment, scoring an average of 90% against a 70% pass mark.</p>	<p>N/A</p>

NOTEWORTHY INVESTIGATIONS AND ACTIVITY

	Case Description
	<p>HOMEOWNERSHIP WESTMINSTER - Westminster Community Homes (WCH) offers an intermediate rent scheme to assist households who would otherwise not afford to live in Westminster where they have local ties through residency or employment and budget towards homeownership. To help further, WCH contributes up to £10,000 towards the house buying fees, but only if the tenant is moving directly onto homeownership at the end of the tenancy.</p> <p>A new application for the scheme was received for which the homeownership team became suspicious because of concerns that supporting documentation was false. As a result, the case was immediately referred to CAFS.</p> <p>The applicant gave an address in W2 where he said he lived with friends. He said he also has three daughters living with him and required a suitable sized property. He provided a range of documents, including scanned passports, identification, wage slips, a TV license, and utility bills.</p> <p>An initial check of Council data revealed that the applicant was not linked to the W2 address. There were no records of him living there. Investigators visited the address, and the tenants confirmed they had never heard of the applicant and that they didn't have anyone living with them.</p> <p>As the investigator picked through the documents, it transpired that the TV License was fake. So too were the wage slips. He had declared himself a care worker, but the care company soon confirmed that he did not work for them and that the wage slips were not produced by them.</p> <p>Open source enquiries revealed he was a Director of a pizza delivery company. Further investigations soon linked him to Widley Road, W9, where he was registered with his wife.</p> <p>It seemed strange that he had created false documents when he could have legitimately applied for the scheme via the Widley Road address. However, financial enquiries showed that he had a County Court Judgement against him at that property and that this would have deemed him ineligible for the intermediate rent scheme.</p> <p>The applicant attended an interview under caution, where he denied all knowledge of the application. However, he could not explain how the application included photocopies of his family passports or how someone would have had access to them and submitted them in support of this application. He admitted he ran a pizza delivery business but continued to deny all other questions put to him.</p> <p>The application was rejected immediately, and while criminal prosecution was a consideration, the matter failed to meet the required thresholds for evidential and public interest tests.</p>

TENANCY FRAUD (Abandonment/cash incentive) - Westminster's Housing Services became suspicious of a tenant in Lavendon House, NW8, when they applied to move addresses under the cash incentive scheme but failed to pursue the application. When officers finally contacted the tenant, he did not refer to the incentive application but instead decided to terminate the tenancy. However, this was a joint tenancy with his wife, and when asked her whereabouts, he said he did not know. The whole matter appeared somewhat strange, and CAFS was asked to review the situation.

Investigators soon traced the joint tenant, the tenant's wife, to a property in Oxford, and it transpired that she owned the property and that both husband and wife were living there. The evidence suggested the tenants had abandoned the Lavendon House, but CAFS could find no evidence of subletting or other wrongdoing. Moreover, the applicant had not pursued the application under the cash incentive scheme. Still, it was potentially an attempt to defraud if they had already moved from Lavendon House when he made the application.

Due to Covid restrictions, CAFS undertook a telephone interview with the male tenant, who confirmed that he and his wife had vacated the Lavendon House address. He had not pursued the cash incentive as he did not know whether they would be entitled. However, he did agree to terminate the tenancy immediately.

Both husband and wife signed and returned a relinquishment form, and the Council took vacant possession of the three-bedroom property on 26 April 21.

EX-EMPLOYEE THEFT – After a former employee had resigned from the Council following a period of long-term sick leave, management discovered that several laptops were missing from the storage area at Lisson Grove. In addition, the former employee's identity card had been used to access this area during a weekend and had also signed the access sheet to verify entering the building.

When the individual attended City Hall to return work items, including a mobile phone and ID cards, he was questioned about the laptops at this meeting and denied being involved in their theft.

The department referred the matter to CAFS, who quickly obtained CCTV footage from Lisson Grove, which confirmed that the former employee had entered and left the building with a bag and suitcase.

CAFS liaised with the Police who arrested the individual in May 2020 and searched his property, but no laptops were recovered. Nevertheless, he was charged and appeared in Magistrates Court in May 2021, where he pleaded guilty to one count of burglary.

The matter was adjourned for sentencing, and in August 2021, he was sentenced to 12 months imprisonment (Suspended for 18 months) and ordered to carry out 120 hours of unpaid work. The Court did not make an order for costs or compensation.

TENANCY FRAUD – a case was referred to CAFS by Housing Management, who advised that the tenant of a one-bedroom flat in Opie House, NW8, was never available for the annual gas checks. When they contacted the tenant about this, he stated he would make arrangements when returning to the UK. It was suspected he might be permanently living overseas and subletting.

Interrogation of records showed he was listed for council tax liability since 2017 and claimed a single person discount. In addition, welfare benefits were in payment at the property, and finance records all linked the tenant to address.

Several visits to the property were unsuccessful, but the investigator made inquiries with UK Border Force due to his comments about being overseas. These checks confirmed that the tenant had been out of the country for over a year.

The investigator attempted to contact the tenant, but he regularly replied that he was unavailable for comment as he was still abroad.

As a result of CAFS investigation and enquiries, Housing Management served notice. It referred the case to Legal Service to commence repossession, culminating in a Central London County Court hearing.

The tenant failed to attend the hearing. Following a presentation of the facts, the Judge granted the Council an outright possession order and issued a Money Judgement Order against the tenant for £3,575.58 (Use and occupation charge) and ordered him to pay costs of £424.50.

EMPLOYEE - Human Resources (HR) asked CAFS to review an incident, having received information that an employee had registered two businesses from council premises. Premises where the individual worked. In both instances, the council address had received correspondence for these businesses. Management had taken initial action to address the matter directly with the employee, who instantly changed the addresses.

HR asked CAFS to review the incident to ensure that all issues had been addressed and ascertain any previously unknown fraud risks.

CAFS review and investigation found no areas of significant concern. However, further checks with HM Companies House verified that both businesses had changed their registered addresses and were no longer linked to council property.

CAFS issued a final report to HR detailing the risk of reputational damage to the authority because council premises remained on the historic Companies House records, despite being changed. The report was present at the subsequent disciplinary hearing. The panel found the employee had breached the Employee's Codes of Conduct and issued a written warning.

BLUE BADGE – A parking investigator observed a black Mercedes parked and unattended in a designated disabled bay on Manchester Square, W1. The vehicle displayed a London Borough of Brent blue disabled badge, which enquiries showed had been issued to a female.

A male driver subsequently attended the car and was spoken to by the investigator. He confirmed his identity and stated that the badge belonged to his mother, who was still at home in Wembley. As a result, the badge was seized, and the driver was cautioned.

CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver did not attend Court and was found guilty in his absence. The Magistrates fined him £220 and awarded costs and a victim surcharge of £489.

TENANCY FRAUD – A referral from the Home Education team led to the discovery of an abandoned tenancy.

CAFS was alerted to a suspicious home-school application by a vigilant officer of the Council's Children Missing Education and Elective Home Education Team. Following receipt of the application, they carried out several home visits to the address in Lutyens House, Churchill Gardens, SW1, but never managed to find the tenant at the property.

Internal records showed that the tenant was registered for Council Tax and receiving welfare benefits but not recorded on the electoral register.

Enquiries with UK Border Force confirmed that the tenant had left the UK in 2018 and had not returned to the UK. Finance checks also confirmed that her transactions were overseas.

Because of the above, Notices were served on the property in November 2020. A Court Hearing was later scheduled for July 2021, in which the Council sought possession of the property and an unlawful profit order in the sum of £10,100.00.

At Court, Deputy District Judge Greenidge subsequently considered the claim and was satisfied that the defendant had lost the security of tenure by not occupying the property as her only or principal home. Accordingly, he terminated the residual contractual tenancy forthwith. However, the Judge was also satisfied that an order should be made on mandatory grounds. Therefore, he awarded costs for £424.50.

The Council's application to amend the claim to introduce the additional ground of subletting and an unlawful profit order will be dealt with at a separate hearing at a date determined by the Courts.

TENANCY FRAUD – WCC Housing attended to a leak in Dufours Place, W1, but could not gain entry to the flat. Eventually, a ‘friend’ of the tenant showed up with a key and let them in, but once inside, officers became suspicious due to the layout, which was reminiscent of a holiday home. For example, the bathroom had soap and shampoo dispensers on the wall akin to hotel décor, and the kitchen had instructions posted on various appliances. In addition, there were no clothes in the cupboards and no personal belongings.

The case was referred to CAFS, who commenced enquiries. These checks included travel activity, and this revealed that the tenant was currently in Sweden. Further investigations showed that for the last five years, since 2016, he had remained in Sweden and had only been in the UK for 300 days. Because of this information, CAFS recommended that housing management serve notices to quit the property.

Shortly after notices were served on the address, the tenant called the investigating officer. He began the conversation saying he had not done anything wrong and denied any sublet or anything ‘illegal’.

Then, just as the investigator was about to stop the call and advise him that he would need to attend an interview, he said he would give the flat back as it was causing his health to suffer. He didn't elaborate further but said his mother would clear the flat, and he'd give it back. He returned the keys the following week.

The relinquishment was quick, and due to the excellent condition of the property, the void period was minimal. Housing was able to let the property straight away to a person from the common housing register. Given this and the fact the tenant was still living overseas, no further action was taken.

TENANCY FRAUD – This file was identified through data matching and was raised as part of the 2018/19 national fraud initiative.

The match compared housing data to DWP welfare benefit data and suggested that the Council tenant of a two-bedroom flat in Huxley House, NW8, was linked to an address in Pimlico. Enquiries showed that numerous financial records, including bank and insurance, were registered to the tenant at the Pimlico address, which turned out to be another social housing property managed by Peabody Housing Association.

The investigating officer duly arranged an interview with the tenant to discuss running two concurrent social tenancies. However, the tenant contacted the investigating officer and said that she was not going to attend on the advice of the Citizen Advice Bureau. Still, during the conversation, she verbally admitted her sister was staying at her Huxley House address. Investigators explained that the Council would take further action, and if appropriate, this would include criminal action.

Notices were served, but the tenant signed and returned a tenancy termination form ahead of any legal action, and the Council obtained vacant possession immediately.

BLUE BADGE – A parking investigator observed a black Mercedes parked in a designated disabled bay on Duke Street, W1, outside Selfridges. The vehicle displayed a blue disabled badge issued by the London Borough of Haringey. Enquiries revealed that the badge had been reported as stolen.

The driver returned to the vehicle with a man and woman who got into the rear seat. The investigator introduced himself and asked to inspect the badge, at which point the driver took the badge and gave it to the man in the rear seat. Neither the driver nor the passengers were willing to cooperate. The driver and passengers then left the car and went into Selfridges.

The driver returned and was apprehended and cautioned by the investigator, who explained that the badge was stolen. However, the driver stated that the badge holder was in the Qatar Embassy and could not be contacted. The driver remained uncooperative, and so Police assisted our investigator with his enquiries. They searched the car but failed to locate the badge, but the driver was identified and provided the Police with his driving licence.

CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver pleaded guilty, and the Magistrates fined him £128 and awarded costs and a victim surcharge of £232.

BLUE BADGE – A BMW 418d was observed parked and unattended in a designated disabled bay on Belgravia Square SW1. The vehicle displayed a Royal Borough of Kensington and Chelsea issued badge. However, the investigator suspected it was a counterfeit badge due to its colour and subsequently checked the government blue badge database. This showed that the badge had expired on 30/04/2018 and not 05/07/2021 as was written on the badge.

Additionally, the serial number on the badge indicated a different date of birth for the holder, as was recorded on the government database. The government database showed this serial number was allocated to a badge issued by the London Borough of Ealing.

Subsequently, the driver attended the car and was spoken to by the investigator. The driver identified himself and confirmed that the vehicle was his and he had put the badge on display. He stated that the badge was given to him by a friend and belonged to her stepdad. However, he was unable to show that either of these people was present. The badge was inspected and seized; the driver was cautioned.

CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver failed to attend and was found guilty in his absence. The Magistrates fined her £300 and awarded costs and a victim surcharge of £484. He was ordered to pay within 28 days.

TENANCY FRAUD (Notting Hill Genesis) – A case was referred by NHG for investigation because they were concerned that the tenant of a two-bedroom property in Harrow Road, W9, was subletting. Neighbours had reported not seeing the tenant for some time, and that unknown person appeared to be living there.

Our investigation was unable to locate the tenant in the UK. Still, enquiries with UK Immigration revealed that she had travelled to Lebanon in January 2019 but there were no records of her returning.

Visits to the address were unsuccessful, but eventually, investigators tracked down the tenant's son. Through him, the investigator made contact with the tenant; she was still in Lebanon.

It soon became apparent the tenant would not be returning to the UK, which discounted any criminal action regarding her abandonment. However, investigators persuaded her to relinquish the property without the need for a costly repossession case. The keys were returned shortly after by the son, and NHG established vacant possession. The property has now been allocated to someone in genuine need of support.

RESIDENTS PARKING - CAFS received a tip-off that a café owner in Abbey Road, NW8, had fraudulently obtained a WCC residents parking permit even though they did not live in Westminster.

Initial enquiries revealed the permit had been issued to the café owner on the basis that they were living in the café on Abbey Road. In support of his application, he had provided bank statements and car insurance details. However, the investigators soon traced the café owner to a residential address in the Borough of Ealing.

Investigators visited the café where they questioned the owner about where he lived, and he showed them a storeroom with no bed or any other furniture. He was later interviewed under caution, where he admitted that his actual home address was in Ealing.

CAFS took prosecution action regarding an offence under section 15(1) Theft Act 1968 and section 2 The Fraud Act 2006. The defendant pleaded guilty and was sentenced on 14th July 2021 at the City of London Magistrates Court.

He was sentenced to 12 months conditional discharge, ordered to pay £1,700 compensation, costs to the Council of £2,000 and a victim surcharge of £21.

RE-HOUSING FRAUD - CAFS received a referral from colleagues in the Regeneration Team of Growth, Place and Housing. Vigilant officers had noted that the secure tenant of a two-bedroom property in Walden House, SW1, had made an application to be re-housed in three-bedroom accommodation as part of the regeneration process. He claimed that one of his previously undeclared adult daughters now lived with him, requiring more extensive accommodation.

Westminster City Council leases Walden House to house tenants, but the lease expires in 2021. The landlords, Grosvenor Group, intend to redevelop the site but agreed to extend the Council's lease to allow all current residents to be offered properties within the City of Westminster.

Initial investigations found the additional daughter to have no current links to the address. She was linked to the property until 2008, but this was also the last time she was on the Electoral Roll. Evidence suggested she had married in 2009 and had lived in Surrey until 2017 when she emigrated to Sacramento, California, USA. Subsequent UK Border checks confirmed she left the UK for America in 2017, and there has been no record of her returning to the UK since.

The tenant was invited, on two occasions, to attend an interview and was asked to present passports for all members of the household, including his daughter. He failed to respond.

A report of the investigation findings was presented to the Regeneration Team. As a result, they removed the daughter from the application and household composition, and he will be offered a two-bedroom accommodation only.

BLUE BADGE – In September 2020, a black BMW 118i was parked in a designated disabled bay on Marylebone Lane, W1. The vehicle displayed a blue disabled badge issued by the London Borough of Brent.

The investigating officer observed a female driver was sitting in the vehicle. The investigator identified himself to the driver and requested to inspect the badge. At that point, the driver started the car, undertook a three-point turn and drove away. The investigator was able to video the vehicle, the badge on display and the driver. Subsequent enquiries revealed the badge holder was a male.

Using the video evidence to build a case, the Council took prosecution action against the female driver who was the vehicle's keeper. She was prosecuted for two offences; one in respect of the misuse of the badge and the other in respect of her failure to provide the badge for inspection.

The case concluded with a hearing at the City of London Magistrates Court on 11/08/21. The driver pleaded guilty to both offences and was fined £120 for misuse and £120 for failure to inspect the badge. In addition, she was ordered to pay costs of £250 and a victim surcharge of £34. A further order was made to pay the total amount within seven days of the hearing date, and the magistrates made a collection order in the event of non-payment.

SUCCESSION FRAUD - An individual applied to succeed a one-bedroom property in Fourth Avenue following the passing of the tenant, who was the applicant's grandmother.

The applicant had to prove that the address was his principal home for one year before the tenant's death to qualify for succession. However, initial checks suggested that he had only been a resident at the property for a few months and was linked to an address in Newham. Investigators interviewed the applicant, where he provided a written statement rather than answer the officer's questions. Following this meeting, a document was provided by the applicant in support of his claim to succeed.

The document supplied was written confirmation from his employers of him living at Fourth Avenue. However, subsequent enquiries with the employer revealed that the document provided was false. Finally, the employer-provided the correct information, which showed the applicant was not living at the Fourth Avenue address.

Investigators conducted another interview, and again he provided a written statement, this time denying that he had created a fake document and confirmed it was supplied to him by his mother. Unfortunately, he would not comment further, and therefore officers needed to interview his mother. She admitted to providing this document in another written statement.

Further investigations revealed that the applicant had supplied a total of five false documents, including payslips, a British Gas statement and a mobile phone bill. As a result, he was interviewed a third time but gave a "no comment" interview.

Housing stopped the succession, and a notice to quit was served on the address. The applicant was summonsed to attend Court charged with offences under the Fraud Act 2006. He pleaded guilty and cited mitigating factors. He was sentenced to a twelve-month Community Order, including rehabilitation activity requirements and 80 hours of unpaid work. In addition, he was ordered to pay costs £1,500 and a victim surcharge.

BLUE BADGE – In October 2020, a black Fiat 500 parked and unattended in a designated disabled bay on Manchester Square, W1. The vehicle displayed a London Borough of Camden issued badge, and enquiries showed that the badge was given to an older man, but it had been reported lost/stolen.

A female was subsequently seen returning to the vehicle and unloaded shopping into the boot space. The investigator interjected and spoke to the lady who identified herself. She stated that it belonged to a gentleman she knew as "Uncle Mo" from Hatton Garden. However, she could not provide the investigator with evidence that the badge holder was nearby or any further details about the badge holder. The investigator seized the badge, and the female driver was cautioned.

CAFS took prosecution action against the driver as per the Road Traffic Regulations Act 1984, Section 117, which concluded with a hearing at the City of London Magistrates Court. The driver failed to attend and was found guilty in her absence. The Magistrates fined her £300 and awarded costs and a victim surcharge of £484. She was ordered to pay within 28 days.

TENANCY FRAUD (Soho Housing) - A potential abandonment and subletting case was referred to CAFS by Soho Housing Association. The Housing Association suspected that the tenant and his wife were no longer residents and possibly absent for several years. They further believed that the tenants lived abroad (Philippines) and were perhaps subletting the flat to a close relative.

A tenancy audit at the property in Sandringham Flats, Charing Cross Road, prompted the referral when housing officers noted that the sister-in-law of the tenant seemed to be living there with her family.

CAFS initial enquiries showed that the tenant and his wife were listed on the current Electoral Register, and finance checks also linked them to the address. However, it was also noted there was little UK finance activity over the last few years.

Open-source intelligence indicated that the tenants were living in the Philippines, but enquiries with Border Force failed to show any periods of overseas travel. Instead, the response suggested they might have left the UK several years ago beyond Border Force records.

During the investigation, the tenants became aware of our enquiries and contacted the Housing Association to state that they were not subletting the premises. They said they had granted the sister permission to look after the premises whilst they were abroad for an extended period (in the Philippines) to care for an elderly relative.

Given the above, investigators made an appointment for the tenants to attend an interview at the Town Hall, providing a sufficient timeframe to return from overseas. In response, the tenant phoned the investigator to state that he would not return to the UK for this interview. The tenant said that his health had deteriorated in the "*four years*" he had been out of the country, and he was unable to travel.

A case file was presented to Soho Housing Association, and the tenants were sent a Termination of Tenancy form to sign and return. However, Soho never heard back from the tenants, and their solicitors filed for eviction in the courts. At Central London County Court, the Deputy District Judge ordered that Soho Housing Association be awarded possession.

Per our investigation memorandum of understanding, the Council will receive nomination rights for a unit of similar size (two-bedroom flat) that will be used to house a family in genuine need of support and assistance.