



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Wednesday 21 st July 2022
Classification:	For General Release
Title:	Counter Fraud 2021/22 – End of year report
Wards Affected:	All
Financial Summary:	There are 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 intends to brief members of the Committee regarding work undertaken by the fraud service from 1st April 2021 to 31st March 2022.

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 fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1st April 2021 to 31st March 2022 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

4.1 CAFS remains a shared service providing the Council with a complete, professional counter-fraud and investigation service for fraud attempted or committed against the Authority.

4.2 All CAFS work is conducted within the appropriate legislation and through the powers and responsibilities 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 effectively prevent and detect fraud and corruption.

4.3 Between 1st April 2021 to 31st March 2022, CAFS investigated 564 cases, including 261 new referrals, and concluded 302 investigations. A conclusion could mean a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and stops it from continuing, an action that deters fraud, or no further action where there is no case to answer.

4.4 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	184	92
New referrals received	303	Internal Staff	10	3
Closed investigations (Positive outcome 151)	302	High/Medium risk fraud	96	153
		Low-risk fraud	11	12
Live cases as at 30/03/22	262	POCA	1	2

4.5 Notional values estimate the financial savings from counter fraud work and reinforce the importance of tackling fraud head-on, particularly when every penny should be invested in delivering high-quality services to local people.

4.6 These values provide a good indicator for the financial benefits of counter-fraud work, and in some instances, this will include savings attributed to preventative measures. However, not all the cause-and-effect of fraud can be financially valued, for example:

- Disruption to service delivery,
- Reputation damage and loss of public trust,
- Negative impact on the organisational culture, especially significant effect on staff morale, recruitment and retention, or
- Damage to relationships with partners and stakeholders

4.7 From 1st April 2021 to 31st March 2022, CAFS identified 151 positive outputs with a notational value of over £800,000. Results are detailed in the following table, comparing these achievements against those of 2019/20 and 2020/21.

Activity	Year-end 2019/20		Year-end 2020/21		Year-end 2021/22	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud (incl. successions & downsizing)	13	18,200	9	26,860	17	77,710
Right to Buy	21	23,300	24	31,100	2	7,000
Preventative Activity (incl. pro-active and service reviews)	12	25,500	-	-	3	3,000
Prevention subtotal	46	67,000	33	57,960	22	87,710
Tenancy Fraud (Council and Registered Providers)	43	434,500	12	97,000	26	301,500
Insider fraud	1	2,000	1	2,000	3	37,000
High/Medium risk fraud (e.g. NNDR, Procurement, Duplicate invoices)	5	75,000	2	6,700	4	134,742
Low-risk fraud (e.g. Freedom passes, Council Tax SPD)	5	5,541	1	2,077	5	3,788
Disabled Parking	63	128,750	27	44,706	56	111,398
Resident's Parking	21	15,200	31	23,840	23	18,824
Detection subtotal	138	660,991	74	176,323	117	607,252
Proceeds of Crime (POCA)	4	96,710	3	47,762	1	9,367
NFI recovery	32	88,705	n/a	n/a	3	13,646
Press releases and publicity	1	2,000	-	-	-	-
Business Grant clawbacks	-	-	-	-	8	97,860
Deterrence subtotal	37	187,415	3	47,762	12	120,873
Total	221	915,406	110	282,045	151	815,835

4.8 Case details are reported in Appendix 2.

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 Often referred to as tip-offs, they are consistently the number one method of detecting fraud. Tip-offs can range from whistleblower complaints made formally through our hotline or online reporting to a conversation discussing an area of concern leading to further escalation or review.

5.3 To provide staff with a safe and confidential reporting space, the City Council uses an independent whistleblowing service, Safecall.

5.4 Since April 2021, CAFS has received three fraud referrals submitted under the Council's whistleblowing policy. Referrals related to concerns regarding bribery, procurement fraud and conflicts of interest.

5.5 The table below records the referrals and outcomes.

Allegation	Outcome	Case status
i. Dishonest behaviour and Conflicts of Interest	CAFS initially received the referral in 2020/21 but was not deemed a qualifying disclosure because the complaint focused on a stakeholder organisation. The Council ensured the matter was investigated independently by an external body, which issued a final report to the organisation this year when the case was closed.	Closed
ii. 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
iii. Anonymous letter alleging bribery	The investigation remains ongoing, although the anonymity of the referral means that the referral is not deemed a qualifying disclosure.	Ongoing

6. Anti-Fraud and Corruption Strategy

6.1 The Council's Anti-Fraud & Corruption Strategy 2020-2023 is based on five key themes: GOVERN, ACKNOWLEDGE, PREVENT, PURSUE and 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 regarding counter-fraud activities.

i) GOVERN

Having robust arrangements and a framework of procedures and policies

6.3 Minimising any losses to fraud and corruption is essential to ensuring that all of the Council's resources are used for their intended purposes and ensuring we remain ruthlessly financially efficient.

6.4 Staff are often the first to spot possible cases of wrongdoing early and are therefore encouraged and expected to raise any concern they may have without fear of recrimination. Any concerns raised will be treated in the strictest confidence and appropriately investigated.

- 6.5 A well-publicised anti-fraud and corruption strategy and framework of policies help build and develop a robust anti-fraud culture. This culture encourages staff and service users to participate in fraud prevention and report suspicions.
- 6.6 Therefore, CAFS must update anti-fraud policies to support and guide Council staff, ensure compliance with laws and regulations, guide decision-making, and streamline internal processes. The key anti-fraud policies are regularly reviewed, revised and presented to the Audit and Performance Committee for review and approval.

ii) ACKNOWLEDGE

Committing support and resource to tackle fraud

- 6.7 A vital element of a counter-fraud strategy is the ability of an organisation to call upon competent, professionally trained officers to investigate suspected fraud.
- 6.8 All CAFS investigators are members of the Government Counter Fraud Profession (GCFP), which provides a professional structure with common standards and competencies for those working in counter fraud roles.
- 6.9 The GCFP enables organisations like the Council to strengthen counter-fraud capabilities through cross-organisational skills mapping, knowledge sharing and coordinated learning and development programmes based on lessons learnt across the public sector and a structure to develop counter-fraud ability.
- 6.10 Since April 2021, officers from CAFS have continued to enhance personal development by utilising the Council's Learning Zone to improve and maintain core skillsets and competencies, blended with specialist training to ensure investigators maintain Continuing Professional Development (CPD) per their membership of GCFP.

Demonstrating that it has a robust anti-fraud response

- 6.11 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. See Appendix 1.
- 6.12 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

- 6.13 In addition to the specialist investigative role, CAFS provides advice and support across the organisation regarding fraud prevention and detection, including the Council's partners and contractors.

6.14 This type of advice and support is essential during emergencies such as a pandemic when the fraud threat is higher in some service areas than at other times.

COVID-19 Counter Fraud Work

6.15 Throughout the period, CAFS has continued to provide investigative support to the Council as they administered the various business support and restart grants, providing pre-event and post-event assurance work.

6.16 The Council's processes have been largely successful in eliminating fraud with no evidence of systematic fraud attacks (i.e. organised criminal gangs) identified by the Council or via fraud alerts/notifications from the National Anti-Fraud Network.

6.17 The Council identified several possible frauds. However, following closer investigation, they relate to grants paid before they notified the Council of a vacation/insolvency rather than any deliberate intent to deceive.

6.18 Where the Council identified overpayments and the business failed to respond, the matter was referred to CAFS.

6.19 Twenty-nine cases were referred, and full recovery was obtained in eight instances, clawing back a total of £97,860. Recovery remains ongoing in twelve cases.

6.20 CAFS investigations found nine businesses had since dissolved and were untraceable, and CAFS referred the matter to the Department for Business, Energy and Industrial Strategy as outlined in Government guidance.

Corporate investigations and assurance activities

6.21 Corporate investigations cover various counter-fraud activities, including, but not limited to, financial investigations, complex third-party fraud investigations, contractor or employee fraud.

6.22 The work in this area is varied, and extends beyond counter-fraud investigations, and incorporates activity that contributes to the organisation's assurance framework.

6.23 The table below highlights some of the work in this area from 1st April 2021 to 31st March 2022.

Staff investigation	CAFS received an anonymous whistleblowing referral via the online fraud reporting webpage that an employee was awarding contracts to companies with whom they were directors. Following a fact-finding investigation, CAFS were unable to corroborate the allegations. CAFS discussed the findings with HR, who were satisfied that the allegation was unfounded and that no further action was required.
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Assurance activity	CAFS was asked to support an Internal Audit review of historical documents and other records concerning an Outdoor Education Centre. Concerns included the relationship between the Centre, a local Trust and the Council. In particular, the misuse of funds, including Council income, being diverted to the Trust. A subsequent review, including bank statements, bank rec records and invoices, showed that the Trust held these funds because they had been paying for activities at the Centre. The income was unrelated to Council funds. Advice at the time from Legal Service supported these actions. The audit is now complete, and various recommendations are being implemented.
Staff investigation	An investigation arose following a tip-off regarding an employee who owned property in India. The tip-off alleged that the property had never been disclosed when the individual claimed welfare benefits. The findings revealed that the property ownership in this instance had no bearing on the welfare benefit rate the individual received.
Staff investigation	CAFS supported WCC Employee Relations Team in 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 for their ongoing activity.
Personal Budgets	Allegation received from the Financial Assessment Team following suspicions that the service user, or his partner acting on his behalf, had failed to declare assets and income to assess his liability for care home costs. CAFS enquiries showed that the service user had not failed in his duty to report any additional income. However, searches via the Land Registry identified five properties which he had not previously declared. These properties were commercial properties which formed part of a pension investment scheme. Ownership and current value were unclear and could not be confirmed. The department wrote to the service user and his partner and invited them to make a new declaration, including all details of these properties. CAFS took no further fraud action due to the properties' nature and the service user's current ill-health, which would make an interview or prosecution inappropriate.
Malicious Communications	CAFS was asked to review a series of emails sent to Westminster mailboxes that contained inappropriate images. The contents suggested potential offences under the Malicious Communications Act. However, the written content of the messages demonstrated signs of mental illness, and there was no evidence the individual had sent the emails with any intent to cause distress. Referral made to mental health services.
Staff investigation	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 all issues were addressed and ascertain any previously unknown fraud risks.
Assurance activity	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 were all community support units, only eligible to applicants over 60 who have been assessed for this type of accommodation.

Housing/Tenancy Fraud

- 6.24 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, and the right to buy.
- 6.25 Achievements in this service area were disrupted by the pandemic, where changes to legislation, per the Coronavirus Act 2020, and social distancing restrictions affected the rate and speed of recoveries.
- 6.26 From 1st April 2021 to 31st March 2022, CAFS were set a recovery target of 15 social housing units by Housing Management but has exceeded this by successfully recovering 26 units and intervened to prevent 17 false housing applications.
- 6.27 Full details of all successful investigation activities regarding social housing recoveries are detailed in the table below, and case details are reported in Appendix 2.

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
Council	Vale Royal House	WC2H	1	abandonment	Court possession
Council	Darwin House	SW1V	1	subletting	Surrendered keys
Council	Ashby Court	NW8	1	subletting	Surrendered keys
Council	Bravington Road	W9	2	non-residence	Surrendered keys
Council	Luytens House	SW1V	2	non-residence	Surrendered keys
Council	Parkinson House	SW1V	studio	non-residence	Surrendered keys
Council	Ranelagh Road	SW1V	1	abandonment	Court possession
Council	Lenthall House	SW1V	1	abandonment	Surrendered keys
Council	43 Schomberg House	SW1P	2	non-residence	Court possession
Council	De Quincey House	SW1V	3	false statement	Court possession
Council	Rogers House	SW1P	1	non-residence	Surrendered keys
Council	Charlwood House	SW1V	1	non-residence	Court possession
Council	Missenden House	NW8	1	false succession	Succession stopped

National Fraud Initiative (NFI) 2020/21

- 6.28 A vital component of the anti-fraud and corruption Strategy is making better use of information and technology. Therefore, the Council participates in the

biennial National Fraud Initiative (NFI), an electronic data matching exercise coordinated by the Cabinet Office.

- 6.29 The exercise aims to identify possible fraud, error and overpayments within public bodies, e.g. local authorities, central government, and the NHS. The Council has routinely participated in this initiative from its inception in 1996/97.
- 6.30 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 for the 2020/2021 NFI matching exercise are detailed below.

Matches	Fraud	Error	Values
Housing Benefits – overpayments recorded by DWP	2	4	£76,206
Blue Badge Parking Permits – cancelled by Parking Dept	3	64	£468
Resident Parking Permit – revoked following an investigation	4	7	624
Common Housing Register – removed following an investigation	2	-	£6,560
Duplicate invoices	-	3	£13,646
Totals	11	78	£97,504

- 6.31 The following exercise commences in September this year with the extraction of Council data. Matching results will then be available for review in Spring 2023.

Parking investigations

- 6.32 CAFS continue to investigate the misuse of disabled parking badges and fraudulently claimed residents parking permits. Between 1st April 2021 and 31st March 2022, CAFS successfully prosecuted two individuals who had fraudulently obtained residents' parking permits and prosecuted 36 offenders who were proven to be misusing disabled parking permits.
- 6.33 Officers also seized and destroyed 14 blue badges being misused or where the badge holder was not eligible to have received the badge and 21 residents' parking permits where the driver was not eligible or no longer lived in the City of Westminster.
- 6.34 Finally, CAFS also imposed simple caution for six-blue badge offenders. A simple caution (once known as a formal or police caution) is a formal warning that may be given to persons aged 18 or over who admit to committing an offence. The simple caution scheme is designed to provide a means of dealing with offending without a prosecution when there is evidence of an offence, but the public interest does not require a prosecution.
- 6.35 From the successful prosecutions, the courts imposed fines totalling £8,600, and defendants were ordered to pay the Council a total of £20,400 in costs and victim surcharges.

iv) PURSUE

Deterrence

- 7.1 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

- 7.2 Criminal prosecutions are one of the strongest fraud deterrents due to the powers and sanctions of the criminal court, including confiscation, the threat of a custodial sentence and a criminal record. Between 1st April 2020 and 31st March 2021, CAFS successfully prosecuted 39 offenders who had defrauded the Council.

Prioritising fraud recovery

- 7.3 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.
- 7.4 Since April 2021, CAFS has successfully recovered over £120,000 linked to fraud loss and error.
- 7.5 CAFS secured £9,367 in compensation for parking fraud, recovered £13,646 in duplicated invoices identified by the NFI exercise, and clawed back £97,860 from businesses that had wrongfully received a Covid Business Grant.

v) PROTECT

Protecting the Authority and its' residents from fraud

- 8.1 This strategy covers counter-fraud activity to protect public funds, saving the Council from fraud and protecting itself from future scams. It also includes reducing the harm that fraud can cause in the community.
- 8.2 In support of this, CAFS continue to provide an investigative capability for critical stakeholders across the City of Westminster. This is no more important than working with local housing associations to protect their stock from fraudulent misuse and ensure affordable housing is available to those in the community who need it. During the year, CAFS recovered three properties on behalf of Notting Hill Genesis and Soho Housing.
- 8.3 CAFS also remains an active member of the National Anti-Fraud Network (NAFN). NAFN disseminate national fraud alerts, which are circulated by CAFS,

to the appropriate departments. CAFS also offers support and advice to ensure proper action is taken in response to the warnings and to protect the Council from fraud.

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

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STRATEGIC OBJECTIVE	2020/21 ACTIVITY
GOVERN	
<p>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</p>	<p>CAFS has established and communicated the framework of anti-fraud procedures and policies throughout the year, which demonstrate a commitment to integrity and ethical values and combine to act as an effective fraud deterrent.</p> <p>Details of counter-fraud activity continue to be reported to the Audit and Performance Committee twice yearly, detailing performance and action in line with the Anti-Fraud and Corruption Strategy. Reports contained details of assurance work, significant cases, and the level of fraud loss.</p> <p>CAFS has continued reviewing and promoting the Council's anti-fraud-related policies and procedures. This ensures they remain "fit for purpose" and incorporate any legislative or regulatory changes. These policies are presented annually to the Audit and Performance Committee for review and approval.</p>
ACKNOWLEDGE	
<p>Accessing and understanding fraud risks: identify and assess the Council's fraud risk exposure, the changing patterns in fraud and corruption threats and the potential harmful consequences to the authority.</p>	<p>All counter-fraud activity undertaken throughout the year is used to inform fraud risk levels. While this includes individual cases and outcomes, the data obtained from proactive operations, service reviews and risk assessments are invaluable.</p> <p>CAFS have demonstrated significant flexibility and innovation to respond to changing fraud risks and has supported the Council's response to the Covid pandemic. Most notably, in providing robust pre-assurance checks for the various streams of government grant funding for distribution to local businesses and the various discretionary schemes where companies had to apply and submit evidence of hardship to obtain a grant.</p> <p>CAFS have well-established measurement criteria to calculate the value of preventative measures and the benefits of action and activities designed to deter potential fraud. In addition, CAFS has a detailed set of national fraud values to calculate the economic loss due to fraud in many different and diverse areas of the Council.</p>

<p>Committing the right support and tackling fraud and corruption.</p>	<p>The Council maintains a dedicated resource, the Corporate Anti-Fraud Service (CAFS), responsible for tackling fraud across the organisation and ensuring these counter-fraud specialists have the right skills commensurate with the full range of counter-fraud and corruption activity.</p> <p>CAFS has ensured that Westminster City Council was one of the first local authorities to become a full member of the Government's Counter Fraud Profession (GCFP), bringing together individual and organisational counter-fraud learning from across the public sector. As a result, all CAFS investigators are members of the GCFP, providing a professional structure with common professional standards and competencies for those in counter-fraud roles.</p> <p>The collective membership process included evidencing competencies, suitable processes to review and assess staff training, and a commitment to personal development. A peer review from colleagues at the London Borough of Brent gave CAFS a top score.</p> <p>Since April 2021, officers from CAFS have continued to enhance personal development by utilising the Council's Learning Zone to improve and maintain core skillsets and competencies, blended with specialist training to ensure investigators maintain Continuing Professional Development (CPD) per their membership of GCFP.</p>
<p>Demonstrating that it has a robust anti-fraud response</p>	<p>CAFS investigate allegations of fraud thoroughly and to the highest professional standards, where appropriate, seek the full range of civil, criminal and disciplinary sanctions and seek redress where possible.</p>
<p>Communicating the risks to those charged with Governance</p>	<p>CAFS reports on counter-fraud activity to the Audit and Performance Committee twice a year, detailing performance against the Anti-Fraud and Corruption Strategy and its effectiveness. The report should include details of assurance work, significant cases and the level of fraud loss.</p> <p>During the financial year 2021/2022, CAFS detected 151 positive outputs with a notational value of over £800,000. They investigated 564 cases, including 261 new referrals, and concluded 302 investigations. A conclusion could mean a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and stops it from continuing, an action that deters fraud, or no further action where there is no case to answer.</p>

PREVENT	
Making the best use of information and technology	<p>CAFS continue to use and participate in existing technological fraud prevention/detection methods.</p> <p>As part of the Covid response, CAFS used two new web-based analytic tools to assist in their verification of Covid business Grants. Using the NFI anti-fraud tool provided by the Government's Counter Fraud Function, CAFS could efficiently check grant applications, verify bank accounts for companies in receipt of grants, and review Company House details. In addition, the latter provided an insight into whether the company was trading at the qualifying date for these grants.</p> <p>CAFS participates in the biennial National Fraud Initiative (NFI), an electronic data matching exercise coordinated by the Cabinet Office. The exercise aims to identify possible fraud, error, and overpayments within public bodies. The most recent activity concluded this year and identified 89 instances of fraud or error, amounting to a value of over £97,000</p>
Enhancing fraud controls and processes	<p>CAFS review existing controls and process connected with individual fraud investigations. Where weak controls processes are identified, take action to improve them and reduce the risk of further fraud.</p> <p>CAFS regularly assesses new and emerging fraud risks, ensuring the controls cover many possible fraud schemes and risk exposure.</p>
Developing a more effective anti-fraud culture	<p>Through requests for advice and assistance, CAFS constantly ensures that staff and management know their responsibilities to prevent fraud and corruption. Additionally, they will continually refresh and promote the Council's anti-fraud-related policies and procedures, using internal publicity and training to enhance understanding and communicate them across the organisation.</p> <p>CAFS will maintain and refine a corporate anti-fraud training cycle, including regular refresher courses and e-learning modules, which should be mandatory for relevant groups of staff</p> <p>Design and deliver classroom-based training courses on fraud and fraud recognition that complement existing eLearning courses. Activity raises awareness of fraud and highlights the risks and consequences of fraud against the Council and its impact on the broader community.</p>

<p>Communicating its' activity and successes</p>	<p>CAFS continue to build its intranet presence with a new Sharepoint site providing details about the service and showcasing anti-fraud policies.</p> <p>Where fraud reviews identify areas for improvement, CAFS produces outcome reports and service reviews for management that highlight the action taken to enhance or improve fraud controls.</p>
<p>PURSUE</p>	
<p>Prioritising fraud recovery and use of civil sanctions</p> <p>Developing capability and capacity to punish offenders</p>	<p>CAFS continues to ensure that the counter-fraud specialists have the right skills commensurate with the full range of counter-fraud and corruption activity and apply a full range of sanctions. This has now been evidenced through the GCFP, where the membership process included evidencing competencies, suitable processes to review and assess staff training, and a commitment to personal development.</p> <p>Within the Shared Service, CAFS have access to an accredited financial investigator who can use the powers of the Proceeds of Crime Act to seize and confiscate cash and assets obtained through fraudulent and unlawful means. The Act was established "to provide for confiscation orders concerning persons who benefit from criminal conduct".</p> <p>In 2021/22, CAFS secured £9,367 in compensation for parking fraud, recovered £13,646 in duplicated invoices identified by the NFI exercise, and clawed back £97,860 from businesses that had wrongfully received a Covid Business Grant.</p>
<p>Collaborating across departmental, geographical and sectoral boundaries</p>	<p>CAFS has a memorandum of understanding (MoU) and protocols to facilitate joint working and liaise proactively with organisations and agencies to assist in countering fraud, sharing resources, skills and learning, good practice and innovation, and information. In addition to the Council's data-sharing agreements with agencies such as the Police or DWP, CAFS also have MoUs with UK Border Agency, HMRC and local Housing Associations.</p> <p>CAFS continue to actively maintain the authorities' membership in the National Anti-Fraud Network (NAFN) and the London Borough of Fraud Investigators Group (LBFIG).</p> <p>The Head of Service is an Executive Board Member of both NAFN and LBFIG and an Executive Board member of the Fighting Fraud and Corruption Locally Board, the responsible body for designing and implementing the national counter-fraud strategy for local authorities.</p>

PROTECT

Recognising the harm that fraud can cause in the community.

CAFS continues to work closely with housing associations across WCC and similar stakeholders to help them prevent and detect fraud. Working with housing associations has helped prevent and detect social housing fraud, protecting the community's affordable housing units.

Protecting the Authority and its' residents from fraud.

CAFS also provides support and guidance as requested across the community to help residents and stakeholders protect themselves against fraud and advice on referring their concerns to appropriate bodies when fraud occurs.

During the financial year 2021/2022, CAFS detected 151 positive outputs with a notational value of over £800,000. They investigated 564 cases, including 261 new referrals, and concluded 302 investigations.

	Case Description
1.	<p>TENANCY FRAUD: A case was referred to CAFS during a Covid lockdown. Housing management was concerned that their tenant had absconded, leaving a one-bedroom property empty while it could have been allocated to someone in genuine need of support.</p> <p>A female held the tenancy for the flat in Chinatown and had informed housing they were going to Italy in 2017. Since then, she had only contacted the Council a few times. Even allowing for the government restrictions, the tenant had been away a long time. When a male subsequently presented himself as her partner, declaring he was resident, it prompted the referral to CAFS because the tenancy agreement was in the sole name of the female tenant. No male residents had been declared at the property.</p> <p>Initial enquiries confirmed that the tenant had left the UK in 2017, but there was no record of her returning. Unfortunately, CAFS investigation was limited due to government restrictions, and investigators could not visit the address to check residency.</p> <p>Following other lines of enquiries, the investigators finally managed to track the tenant down and found contact details for her in Italy. But when investigators tried to engage with her, she refused to cooperate. Instead, she said that she did not live in England and had left the keys with the Caretaker.</p> <p>Liaising with legal services and the case was presented to Court, where a 20minute telephone hearing was scheduled. The tenant did not defend the hearing, and possession was awarded immediately to the Council. The Judge also made a money judgment order for rent arrears and ordered the defendant to pay costs of £3,073.90.</p>
2.	<p>RIGHT TO BUY (RTB): A Council tenant in Hall Place, Little Venice Ward, made an application under the RTB scheme. All RTB applications are referred to CAFS for verification and due diligence as part of the preventative controls operating in this area.</p> <p>CAFS enquiries soon identified a discrepancy with the applicant's proof of income. The declared employment commenced after the dates on the wage slips. Having contacted the employers, it transpired the wage slips were forgeries. Furthermore, the employers had only ever engaged the applicant on a self-employment basis, and she was not on the employer's payroll. Further scrutiny of the bank statements provided by the applicant also revealed discrepancies, and when challenged, the applicant said that she regularly received gifted money from overseas. She then refused to cooperate further with CAFS enquiries.</p> <p>As a result of the evidence gathered, the RTB was stopped, and CAFS considered further action. However, the case was not deemed appropriate for court, closing the matter.</p>

<p>3.</p>	<p>TENANCY FRAUD: An anonymous tip-off suggested that the tenant of a Council flat in Pollitt Drive, St Johns Wood, lives permanently in Ruislip with her family and partner and sub-lets her Council flat.</p> <p>An initial investigation of the tenant’s finances revealed she had several financial links to an address in Copse Wood, near Ruislip. Additionally, open-source searches of the internet discovered images of her and the family in the family home (Ruislip) and out on day trips.</p> <p>The tenant was contacted and initially denied the allegations stating that she and her partner had split up and lived at the tenancy address with her mother and her father. However, when the level of evidence amassed was described to her, and it was suggested that her account was not accurate, she admitted to living with her partner.</p> <p>The tenant cited disabilities as the reason she lived in Ruislip. When the investigator explained that she would need to be formally interviewed, she immediately agreed to hand back the property. The tenant completed a tenancy termination form agreeing to vacate, and she returned the keys in December 2021.</p> <p>The Council obtained vacant possession, and the property has since been reallocated to someone in genuine need of assistance.</p>
<p>4.</p>	<p>TENANCY FRAUD: 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 strange, and CAFS was asked to review the situation.</p> <p>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. As a result, the Council did not pursue the application under the cash incentive scheme. However, it was potentially an attempt to defraud if they had already moved from Lavendon House when the application was made.</p> <p>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 forthwith.</p> <p>Both husband and wife signed and returned a relinquishment form, and the Council took vacant possession of the three-bedroom property on 26th April 21.</p>

<p>5.</p>	<p>RIGHT TO BUY (RTB): A file was initially raised in connection with an RTB application at a property in Hall Place, W2. After purchasing a 45% share in the address, the leaseholder applied to buy a further 15% of the property.</p> <p>CAFS began vetting enquiries per the RTB process, including checks to verify income. These checks revealed that the proof of income submitted by the leaseholder was false. It transpired that since her original purchase, the tenant was now employed by a college in east London. However, the wage slips provided were dated before the date she began employment with the college. Later, the college confirmed this, stating they had not issued the wage slips.</p> <p>Further investigations revealed that the tenant's bank statements showed no evidence of any income, which later transpired that her employment at the college had been terminated. The tenant tried to explain that her overseas family gifted her income, but she refused to cooperate further with any more details or information.</p> <p>Based upon the evidence provided, the RTB was refused.</p>
<p>6.</p>	<p>ABANDONMENT: Housing Management referred a file to CAFS when they had suspicions regarding the female tenant of a one-bedroom property in Vale Royal House. The Housing Team had not seen the tenant for some time, and although the tenant had contacted the rent income team to say they were out of the country and due back soon, it seemed a male was now in the property. He claimed to be the tenant's partner, even though the female tenant had never mentioned this.</p> <p>Initial investigations showed that the tenant received welfare benefits. However, benefits all stopped in 2017, and when the investigator did a UK border check, it revealed the tenant had left the country in December 2017, and there was no record of them returning.</p> <p>Covid restrictions affected the case's progression, but eventually, the investigators could speak virtually with the tenant. However, she was abrupt, confirming she did not live in England and had left the keys with a friend. She ended any further contact.</p> <p>Due to restrictions on court attendance, civil action commenced with a telephone trial, but this was undefended and unchallenged.</p> <p>The judge awarded the Council possession and a money judgment order for rent arrears of £10,250 and costs of £3,073. In addition, the judge ordered the tenant to pay for use and occupation charges at the daily rate of £20.49 commencing from 26th April 2021 until the Council were given possession of the premises.</p> <p>Following the court case, bailiffs finally executed the eviction at the property in November 2021, where officers found several beds in the property. The beds supported a possible theory that the tenant had sold the keys to an unknown third party, who was subletting it.</p>

7. TENANCY FRAUD: A Housing officer referred the case to CAFS following concerns raised by residents of Schomberg House, Page Street, who had not seen a new tenant for some time. The housing officer had responded by visiting the property but had never had a response. The tenant was listed at the two-bedroom address with his wife and two children and received welfare benefits at the property. His wife was listed as having no recourse to public funds.

Investigators visited the property early morning and found the tenant at home. The wife and children were not present, and he said they were at school in Fulham, a private Arabic school. However, when asked further questions about them, he did not know the correct ages of his children and guessed at 3 and 2 (they were 5 and 2 at the time). When asked who paid the school fees, he said his wife did. He explained she was a Qatar national and had no right to stay in the UK. She stayed with her family in London when she was in the UK. However, when questioned, he could not cite her UK address.

CAFS officers inspected the children's bedroom, but there were no toys or children's clothes; a bare mattress was propped up against a wall. The tenant was asked about the children's sleeping arrangements and said he was in the process of sorting the room out. Officers challenged his wife and children's whereabouts, but he was adamant she was in the UK even though he could not provide any address details.

After the visit, the investigator started looking into his past address history. He had previously lived in the London Borough of Barking & Dagenham, but they had no record of any wife or children in the household. He had then moved to the London Borough of Newham, confirming where he lived. But, again, Newham Council had no record of any wife or children in the household.

The evidence suggested that the wife and children had only been declared to Westminster City Council with the sole intention of obtaining larger accommodation. All checks and traces for the wife and children were returned negative. On the balance of probability, they did not exist; his original Westminster application was therefore false, so notices to quit the tenancy were served instantly.

The tenant challenged the decision, and the case was heard at County Court at Mayors and City of London Court in May 2021. His defence was that due to Covid, the travel restrictions had affected his wife's movement to the UK. However, the judge disbelieved this account because the tenancy began in the summer of 2019 before the pandemic, and he could not produce any evidence for the wife's existence.

The court awarded the Council possession and ordered the tenant to vacate by June 2021. However, he failed to go and was finally evicted from the property in February 2022.

Upon eviction, the tenant submitted a new housing application asking Westminster City Council to re-house him. Instead, the investigation report and Court Order were passed to Housing Solution, who immediately rejected his application because he had made himself intentionally homeless by falsifying his original housing application.

<p>8.</p>	<p>BLUE BADGE: A parking investigator observed a grey a white Mercedes parked in a designated disabled bay on Old Cavendish Street, W1. Displayed in the vehicle was a disabled badge issued by the London Borough of Croydon. Enquiries established the badge had been cancelled due to its reported loss. It was arranged for a Penalty Charge Notice to be issued on the vehicle, but the driver did not return, and it was impossible to identify them at the time.</p> <p>Further investigations subsequently established that the vehicle is registered to a car hire company who, when contacted, revealed the driver's identity on the day in question.</p> <p>The investigating officer invited the driver to attend an interview under caution regarding a possible offence under section 2, Fraud Act 2006 (false misrepresentation). The driver's legal representative replied by providing medical evidence that their client was unfit to attend an interview or trial due to her ill health.</p> <p>Because of the above, CAFS decided to issue a warning letter on the provision that the driver returned the badge, which was returned forthwith and destroyed.</p>
<p>9.</p>	<p>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.</p> <p>Initial enquiries revealed the permit had been issued to the café owner because 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.</p> <p>Investigators visited the café where they questioned the owner about where he lived, and he showed them a storeroom with no bed or other furniture. He was later interviewed under caution, admitting that his actual home address was in Ealing.</p> <p>CAFS took prosecution action regarding an offence under section 15(1) Theft Act 1968 and section 2 of The Fraud Act 2006. The defendant pleaded guilty and was sentenced on 14th July 2021 at the City of London Magistrates Court.</p> <p>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.</p>

<p>10.</p>	<p>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.</p> <p>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 linked the tenant to the address. However, several visits to the property were unsuccessful.</p> <p>The comments about being overseas remained relevant. When the investigator inquired with UK Border Force, the tenant had been out of the country for over a year. Subsequently, when the investigator attempted to contact the tenant, he regularly replied that he was unavailable for comment as he was still abroad.</p> <p>As a result of CAFS investigation and enquiries, Housing Management served notice and referred the case to Legal Service to commence repossession. This culminated in a hearing at Central London County Court, where 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.</p>
<p>11.</p>	<p>HOMEOWNERSHIP: Homeownership Westminster is a unique service aimed at those who live or work in the Westminster area and want to get on to or move up the property ladder through purchasing or renting a property.</p> <p>Unfortunately, some applicants occasionally provide false information to circumvent the criteria, and CAFS are often asked to verify details. For example, when the team received an application from someone who claimed to have lived and worked in Westminster but failed to provide any additional information, they became suspicious and referred the case to CAFS.</p> <p>The Homeownership had also raised concerns about the validity of the mobile phone bill submitted to prove residency. When CAFS began an analysis of the documents, they discovered the applicant had forged the phone bill. The applicant had used someone else's statement and pieced them together. As a result, the account numbers and bill references at the top differed from those on the pay slip at the bottom. CAFS turned their attention to other documentation and soon noticed that wage payslips had a similar look with print definition and fonts. In addition, although the tax periods were the same on each slip, the pay dates differed.</p> <p>CAFS soon established a link between the applicant and an address in Worcester Park, Surrey. When the investigator inquired, they found the applicant listed at a specific address in Woodbine Lane, Worcester Park. The application was immediately suspended, and when challenged, the application refused to discuss the application any further with the investigator, choosing to withdraw his application.</p>

12.	<p>EX-EMPLOYEE THEFT – After a former employee resigned from the Council following a 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.</p> <p>The matter was referred 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. Given the seriousness of the matter, CAFS passed the evidence to the Metropolitan Police, who arrested the individual in May 2020 and searched his property, but no laptops were recovered. He was charged by the Police and appeared in Court in May 2021, where he pleaded guilty to one count of burglary.</p> <p>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.</p>
13.	<p>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. However, the officers became suspicious inside the flat due to the layout, reminiscent of a holiday home or Airbnb accommodation. 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 or personal belongings.</p> <p>The case was referred to CAFS, who commenced enquiries. These checks included travel activity, revealing that the tenant was currently in Sweden. Further investigations showed that since 2016, he had remained in Sweden for the last five years 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.</p> <p>Shortly after notices were served on the address, the tenant called the investigating officer. He began the conversation by saying he had not done anything wrong and denied any sublet or anything 'illegal'.</p> <p>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. The keys were returned the following week.</p> <p>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 that the tenant was still living overseas, no further action could be taken.</p>

<p>14.</p>	<p>BLUE BADGE: In October 2021, a black Jeep was parked and unattended in a designated disabled bay on Old Cavendish Street, W1. The vehicle displayed a London Borough of Islington issued badge, and enquiries showed that the badge was issued to an elderly female.</p> <p>Three adults and a child returned to the vehicle. From questioning, the investigator interjected and established the female driver's name and identity. When questioned, the driver stated that the badge holder was her "Nan" and that she was not here but shopping in the Angel. She was cautioned and the badge seized, but she refused to sign the contemporaneous notes made by the investigator.</p> <p>CAFS took prosecution action against the driver 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 her £40 and awarded costs and a victim surcharge of £234. She was ordered to pay within 28 days.</p>
<p>15.</p>	<p>BLUE BADGE: A parking investigator observed a grey Audi parked in a designated disabled bay on Marylebone Lane, W1. Displayed in the vehicle's windscreen was a disabled badge issued by the London Borough of Newham. Enquiries established that Newham had cancelled the badge.</p> <p>The vehicle was first seen between 4 pm and 6 pm, but the driver was not seen to return. Because of this, a Penalty Charge Notice was issued to the vehicle. The exact vehicle was again parked on Marylebone Lane W1, displaying the same disabled badge. This time the driver was seen to return to the car and spoken to by the investigator. The driver identified himself and stated that the badge belonged to his son, who he claimed was shopping in the area and had dropped off at 1 or 2 pm. Because the badge was cancelled, the investigator confiscated the badge, and the driver was cautioned. It later transpired the genuine badge holder had reported the badge lost.</p> <p>CAFS took prosecution action against the driver 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 £660 and awarded costs and a victim surcharge of £516.</p>
<p>16.</p>	<p>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 issued blue disabled badge, which enquiries showed had been administered to a female. However, 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.</p> <p>CAFS took prosecution action against the driver 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.</p>

17.	<p>TENANCY FRAUD: CAFS instigated an investigation in November 2020 following a referral from the Housing officer. A tenant in Ranelagh Road had not been seen for some time, and the officer suspected they had abandoned the property. The Housing officer was concerned that the tenant may have returned to her homeland of Portugal.</p> <p>Visits to the property were unsuccessful, with no answer. Then, the original suspicions were heightened when the investigator tried to make contact via the tenant's mobile phone number and received the international dialling tone.</p> <p>Basic finance checks were unsuccessful, but when officers tried to locate the tenant's child, the Schools Admissions Team confirmed that the child (born in 2008) was not enrolled in any secondary school across Westminster or Kensington and Chelsea.</p> <p>Using powers under the Prevention of Social Housing Fraud Act, the investigator obtained the tenant's bank statements which showed that she had been in Portugal since September 2019. However, there were no regular credits to the account, which might have suggested that she was sub-letting the property.</p> <p>Unable to progress the matter to criminal prosecution, the focus turned to property recovery, given the evidence proved she was overseas and not using the address. Notices to quit the tenancy were served on the address. However, these expired in May 2021 without any contact from the tenant. The Council finally obtained vacant possession, and when bailiffs undertook the eviction, they put the tenant's belongings into storage.</p>
18.	<p>TENANCY FRAUD: Housing Management requested assistance from CAFS, concerned that the tenant of a flat in Rogers House, Page Street, had left the UK and abandoned his Council flat. The tenant initially advised the Rent Income Team that he might have to relinquish his flat and terminate his tenancy because he was returning to Iran. He said his uncle would hand in the keys, but this never happened. So instead, rent arrears began to accrue.</p> <p>Enquiries by CAFS showed that an anonymous source had previously suggested the tenant had left the country and was subletting the one-bedroom property. However, when the investigator checked with UK Border Force, there was no evidence to suggest the tenant ever left the UK.</p> <p>The investigator continued their enquiries. Eventually, open-source checks established an alias for the tenant, and when UK Border Force checked this name, it transpired that he had left the UK in September 2019 for Qatar. He has not returned to the UK since.</p> <p>Notices to quit the tenancy were immediately served on the address, and in January 2022, an unknown person handed in the keys to the Area Housing Office.</p>