



City of Westminster

# Audit and Performance Committee Report

<b>Meeting:</b>	Audit and Performance Committee
<b>Date:</b>	Tuesday 24 <sup>th</sup> October 2023
<b>Classification:</b>	For General Release
<b>Title:</b>	Counter Fraud 2023/24 – Half-Year Progress Report
<b>Wards Affected:</b>	All
<b>Financial Summary:</b>	No direct financial implications arise from this report.
<b>Report of:</b>	Gerald Almeroth, Executive Director of Finance and Resources
<b>Report author:</b>	Andy Hyatt, Tri-borough Head of Fraud email: <a href="mailto:Andrew.hyatt@rbkc.gov.uk">Andrew.hyatt@rbkc.gov.uk</a> 020 7361 2777

## **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 regarding work undertaken by the fraud service from 1 April 2023 to 30 September 2023.

## **2. Recommendations**

- 2.1 The Committee notes the content of the report.

## **3. Reasons for Decision**

- 3.1 To inform Members how the City Council delivers 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 2023 to 30 September 2023.
- 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 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 preventing and detecting fraud and corruption.

4.4 For the period 1 April 2023 to 30 September 2023, CAFS identified 104 positive outcomes. The fraud identified has a notational value of £488,739, detailed in the following table. The table also compares the achievements against those for the first six months of 2021/22 and 2022/23.

Activity	Half-year 2021/22		Half-year 2022/23		Half-year 2023/24	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud	8	24,210	10	29,547	9	39,361
Right to Buy	1	3,500	-	-	-	-
Preventative Activity (incl. proactive)	5	6,500	7	27,000	4	17,250
<b>Prevention subtotal</b>	14	34,210	17	56,547	13	56,611
Tenancy Fraud (Council and Registered Providers)	13	194,000	12	150,512	21	370,141
Insider fraud	3	37,000	1	2,500	2	10,000
High/Medium risk fraud (e.g. NNDR, Procurement, Duplicate invoices)	9	39,638	2	35,000	1	6,147
Low-risk fraud (e.g. Freedom Passes, Council Tax SPD)	3	1,323	21	5,527	58*	28,750
Disabled Parking	50*	89,175	20	26,660	5	13,000
Resident's Parking	6	7,176	3	1,560	4	4,090
<b>Detection subtotal</b>	84	368,312	59	221,759	91	432,128
Proceeds of Crime (POCA)	-	-	-	-	-	-
Business Grant clawbacks and NFI outcomes	5	67,800	-	-	-	-
<b>Deterrence subtotal</b>	5	67,800	-	-	-	-
<b>Total</b>	103	470,322	76	278,306	104	488,739

*\*Results from a special data-matching exercise*

4.5 During the period reported, CAFS investigated 418 cases, including 213 new referrals, and concluded 177 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.

4.6 CAFS commenced the second half of the financial year with 303 live investigations, of which five cases continue to be investigated jointly with external enforcement agencies and stakeholders.

4.7 The table below shows this activity and details the fraud types that make up the closed cases and the active caseload from 1 April 2023 to 30 September 2023.

Activity	Cases	Fraud types	Closed	Live
Live cases as of 01/04/23	205	Tenancy & Housing cases	57	131
New referrals received	213	Insider fraud	2	5
Closed investigations (Positive outcomes 104)	177	Other Corporate	97	129
		Parking and Blue Badges	21	36
Live cases as at 30/09/23	303	POCA	0	2

4.8 Noteworthy fraud case details are reported in Appendix 1.

## 5. Whistleblowing

5.1 The Council is committed to achieving the highest service standards, including honesty, openness, and accountability, and the whistleblowing policy continues to be the primary support route for staff reporting concerns. However, since April 2023, CAFS has yet to receive any new whistleblowing referrals.

5.2 Although the volume of whistleblowing is not high, the Council's whistleblowing policy provides an essential safeguard for those who speak out. It is an important strand of the Council's overall approach to risk management and protection against fraud.

## 6. Regulation Of Investigatory Powers Act 2000 (Ripa)

6.1 The Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 provide a statutory framework for public authorities, including local authorities, to use surveillance powers such as directed surveillance, covert human intelligence sources and communications data, where it is necessary & proportionate to prevent or detect crime.

6.2 The law requires that, when public authorities use covert techniques to obtain private information about someone, they do it in a way that is necessary, proportionate, and compatible with the legislative framework governing this area, including the Human Rights Act 1998 and the European Convention on Human Rights.

6.3 The Protection of Freedoms Act 2012 amended RIPA to make local authority authorisations subject to judicial approval and the 'serious crime threshold' i.e. the offence being investigated must attract a custodial sentence of six months plus imprisonment or is otherwise related to the underage sale of alcohol, tobacco or nicotine inhaling products. The change means that – generally - local authorities need to obtain an order approving the grant or renewal of an authorisation from a judicial authority before it can take effect.

### Non-RIPA Applications

6.4 However, when officers investigate a crime that does not meet the serious crime threshold, and there are sufficient grounds for investigating the offending behaviour as it has had a detrimental impact on residents, communities,

businesses etc. (such as anti-social behaviour) it is possible to undertake surveillance using the 'non-RIPA' process. The same procedure in relation to RIPA authorisations applies to non-RIPA applications, without the requirement to seek judicial approval. The same process is used here to ensure that the relevant legal thresholds are met, and the Council conducts the relevant risk assessments before any surveillance is initiated.

- 6.5 The Council is required to have in place a policy for the use of those surveillance powers. The Home Office has issued guidance for the use of these powers to all public authorities, and these are updated when there are changes in the law.
- 6.6 In addition, the Council's use of surveillance powers is overseen by the Investigatory Powers Commissioner's Office (IPCO). IPCO is tasked with inspecting public authorities and their use of RIPA powers to ensure that they are compliant with existing legislation and good practice.
- 6.7 Local authorities are inspected every three years. The Council was last inspected on 29 July 2020 via a remote, desktop inspection and it is due a further inspection in October 2023.

#### **Number of RIPA and Non-RIPA Applications from 2022-2023**

- 6.8 Between 1 April 2022 to 31 March 2023, the Council completed no RIPA applications to the Magistrates' Court and one non-RIPA application. To date, there have been no RIPA applications in 2023.

#### **RIPA Authorising Officers**

- 6.9 The Council's RIPA Authorising Officers hold an annual meeting with the Senior Responsible Officer (SRO), legal leads and RIPA Coordinator to discuss and share best practice.

#### **Training and raising awareness of RIPA**

- 6.10 The Legal Services team supporting the SRO continues to provide refresher training sessions to officers across the council to raise awareness of the legal framework on the use of surveillance powers and to ensure there is no inadvertent use of these powers. This is available for all council officers throughout the year upon request to Legal Services. Most recently, an all-staff training session was held on 3 August 2023.
- 6.11 The Information Management SharePoint site also offers up to date guidance and access to the WCC Procedure Manual and all related application documents and Home Office Codes of Practice. A RIPA Working Group has also been established, made up of Authorising Officers from both RBKC and WCC. The group has a Microsoft Teams site which acts as a forum to exchange ideas and views in relation to the use of RIPA and any legislative or code of practice updates or good practice. The Council also issues articles and reminders on the use of surveillance powers to officers.

6.12 For further information, please see the Council's intranet page here: [RIPA \(sharepoint.com\)](#). You can also contact the Legal team supporting the SRO here: [RIPA@westminster.gov.uk](mailto:RIPA@westminster.gov.uk).

## **7. Anti-Fraud and Corruption Strategy**

7.1 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

7.2 The Strategy is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds.

7.3 This report is structured to demonstrate how work undertaken by the fraud service aligns and underpins these themes.

### **i) GOVERN**

#### **A robust framework of procedures and policies**

8.1 Anti-fraud policies and procedures provide a structured framework that supports the prevention, detection, and response to fraud within the Council. They promote a culture of transparency, accountability, and compliance, essential elements of an effective anti-fraud strategy.

8.2 For example, the Council's Fraud Response Plan recognises that staff are often the first to spot possible cases of wrongdoing and are encouraged and expected to raise any concern without fear of recrimination. Early detection is essential in preventing fraud from escalating.

8.3 A well-publicised strategy and policy framework also deter potential fraudsters, demonstrating that there are established rules and consequences for fraudulent actions. They also provide clarity and consistency for the organisation, which reduces ambiguity and helps prevent unintentional or opportunistic fraud.

8.4 Policies and procedures serve as a foundation for training programs. Employees must understand what constitutes fraud and how to prevent it, facilitated by well-documented guidelines.

8.5 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 revised to reflect evolving fraud threats and changing business conditions and presented to the Audit and Transparency Committee for review and approval.

## **ii) ACKNOWLEDGE**

### **Committing support and resources to tackle fraud**

- 9.1 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.
- 9.2 All CAFS investigators are members of the Government Counter Fraud Profession (GCFP). Additionally, two apprentices are currently undertaking the CIPFA Level Four Counter Fraud Apprenticeship, which combines CIPFA learning activities with on-the-job training, including a range of knowledge and skills development-based tasks to ensure competence and progression.

### **Demonstrating that it has a robust anti-fraud response**

- 9.3 Counter-fraud activity is reported to the Audit and Transparency Committee twice yearly, 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.
- 9.4 CAFS reports on investigation outcomes, prevention activity, actions that deter fraud, or no further action where assurance is obtained that there is no case to answer.

## **iii) PREVENT**

- 10.1 The "Prevent" element of the Strategy focuses on detection and prevention activities, a significant part of CAFS work. It highlights the importance of enhancing anti-fraud controls and processes. CAFS continues to provide anti-fraud advice and support across the organisation, including the Council's partners and contractors.
- 10.2 CAFS continues to remind staff and management of their responsibilities to prevent fraud and corruption and raise awareness training highlighting fraud's risks and consequences against the Council and the wider community.
- 10.3 CAFS offer bespoke fraud awareness training that helps employees better connect the training messages to their daily responsibilities. It also helps staff identify suspicious activity and feel empowered to act against potential fraud.

### **Corporate investigations**

- 10.4 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.
- 10.5 Since 1 April 2023, corporate investigation work has included the following.

<p>Adult Social Care – Personal Budgets</p>	<p>An adult social care referral via the Westminster ‘report a fraud’ portal suggested that a client does not need Direct Payments to support her care. CAFS reviewed the allegation and conducted enquiries to ensure whether payments were being used correctly. There was no evidence to suggest payments were being misused. Still, there was an early indication that the budget was mismanaged.</p> <p>Based on CAFS findings, ASC has now intervened, providing the client with additional support to assist with managing their care support funds, avoiding potential mismanagement that could conceal fraud or wrongdoing.</p>
<p>Commercial waste bags</p>	<p>CAFS received an email allegation via their "report a fraud" mailbox, which suggested that an employee had been supplying a restaurant in Victoria with free commercial waste bags in exchange for free meals and sometimes wine. The complainant said the restaurant used about three bags daily, although records showed no bags had been acquired from the Council.</p> <p>CAFS intervention and collaboration with the Council's contractors concluded with one of their employees being given a final written warning and removed from the Westminster contract.</p> <p>Suggestions were made to the contractors on how to improve controls, and following an internal review, the contractors introduced additional safeguards to prevent and reduce the risk of this happening again. The restaurant has since recommenced purchasing commercial waste bags from Westminster City Council.</p>
<p>Employee fraud</p>	<p>The Council received a call from a firm of engineering consultants to raise a concern that one of the employees had been “moonlighting” and working for the Council while also working full-time for them. Our employee had accidentally emailed colleagues at their firm using his Westminster email account. When they confronted him, he denied working for the Council but resigned.</p> <p>The investigation revealed that while employed full-time with Westminster City Council, our employee had taken a secondary full-time employment, which had not been disclosed and had been working for both organisations for the last six months. He was suspended immediately, pending disciplinary action, but resigned shortly afterwards.</p>
<p>Youth Club</p>	<p>CAFS was alerted to a concern raised by a youth worker regarding the possible misuse of public funding at a youth club in Westminster.</p> <p>Providing advice and guidance to Children's Services, CAFS investigations of the concerns raised found no evidence that Council funding has been misappropriated, and up to this point, the service had no worries with the monitoring/returns provided by the Club.</p> <p>However, to obtain assurances, CAFS recommended a compliance visit be undertaken, where officers from Children's Service can focus on the areas of concern raised, including staffing levels, funding streams and overall governance. CAFS also recommend that the service thoroughly review all the risks attached to the Club, including the risks for the Council and the service users.</p> <p>No further concerns have since been raised.</p>

Conflict of Interest	<p>An anonymous letter was sent to Family Services. The letter suggested that an employee should be investigated for conflicts of interest and fraud. The subsequent investigation by CAFS found no evidence of fraud or wrongdoing. The analysis found that the employee has acted appropriately, with probity and integrity.</p> <p>The matter was closed.</p>
Adult Social Care – deprivation of capital	<p>CAFS was asked to assist with a possible case of capital deprivation. This situation occurs when someone intentionally reduces their assets to a level where they may qualify for assistance paying for their care home costs. This could include transferring assets to others, giving away property, or spending money to reduce their overall wealth. CAFS was asked to investigate such a case to ensure that an individual was not avoiding their financial responsibilities for long-term care.</p> <p>Although CAFS enquiries revealed a property transfer in 2013, there was no evidence of a sale or any funds to trace, nor any information to suggest family members benefited. The case was closed.</p>

### **Housing/Tenancy Fraud**

- 10.6 Given the desperate shortage of affordable homes, demand for social housing continues to grow. It is an asset to the public and often a lifeline to the people it's meant for. Finding and stopping social housing fraud can rapidly reduce homelessness and poverty among families living in rented properties.
- 10.7 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.
- 10.8 By effectively helping to prevent and detect housing tenancy fraud and verifying applicants' eligibility for housing services, CAFS work in this area contributes to the Council's Strategy for fairer housing.
- 10.9 From 1 April 2023 to 30 September 2023, CAFS successfully recovered 21 properties which were being misused. These have now been allocated or made available to those in genuine need of housing support within the community.
- 10.10 Where investigative actions result in the return of keys and vacant possession, the Council can obtain control without requiring lengthy and costly legal action, ensuring properties are promptly reallocated.
- 10.11 Full details of the successful investigation activity regarding social housing are detailed in the table below. Cases of note are reported in Appendix 1.



Landlord	Location	Postcode	Size bedrooms	Reason for recovery	Outcome
WCC	Gloucester Terrace	W2	1	false succession	Surrendered keys
Notting Hill Genesis	Shelley House	W9	2	non-residence	Surrendered keys
WCC	Queensborough Terrace	W2	1	non-residence	Surrendered keys
WCC	Marlow House	W2	3	false succession	Surrendered keys
WCC	Fountain Court	SW1W	1	non-residence	Court possession
WCC	Fir House	W10	2	subletting	Court possession
WCC	Turner House	NW8	2	non-residence	Surrendered keys
Notting Hill Genesis	St Michaels Street	W2	2	subletting	Surrendered keys
WCC	Swallow House	NW8	2	non-residence	Court possession
WCC	Westbourne Terrace	W2	2	non-residence	Court possession
WCC	Portnall Road	W9	1	false succession	Surrendered keys
WCC	Abady House	SW1P	1	non-residence	Surrendered keys
NHG	St Michaels Street	W2	3	non-residence	Surrendered keys
WCC	Missenden House	NW8	1	false succession	Court possession
NHG	Randolph Avenue	W9	2	non-residence	Court possession
NHG	Howard House	W1T	1	non-residence	Court possession
Temp Accom	Wardour House	W1F	2	subletting	Surrendered keys
WCC	Maryland's Road	W9	1	false succession	Surrendered keys
WCC	Wingham House	NW6	1	false succession	Surrendered keys
WCC	Gaydon House	W2	1	non-residence	Surrendered keys
WCC	Princess Mary House	SW1	2	false succession	Surrendered keys

## Parking investigations

- 10.12 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.
- 10.13 From 1 April 2023 to 30 September 2023, CAFS successfully apprehended nine offenders for misusing disabled parking badges or wrongfully obtaining resident parking permits.
- 10.14 Cases of note are reported in Appendix 1.

### iv) PURSUE

- 11.1 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.

### Collaborating across departmental, geographical and sectoral boundaries

- 11.2 Collaboration is one of the critical themes under the "Pursue" strategic objective. Local authorities can tackle fraud locally and across geographical boundaries by collaborating effectively.

- 11.3 CAFS continue to actively maintain the authorities' membership of the National Anti-Fraud Network (NAFN) and the London Borough of Fraud Investigators Group (LBFIG), with officers from CAFS sitting on the Executive Board of both bodies.

### **National Fraud Initiative**

- 11.4 Another element of Pursue is making better use of information and technology. CAFS ensures the Council participates in the biennial National Fraud Initiative (NFI). This data-matching exercise helps public sector organisations identify and prevent fraudulent activity.
- 11.5 The NFI uses analytic techniques to compare data held by different public bodies. The data can include payroll records, council tax data and electoral registers. By comparing this information, the NFI can identify discrepancies or anomalies that might suggest fraud, passing the information on to the relevant organisations for further investigation.
- 11.6 The 2022/2023 NFI exercise began with a data extraction in September 2022, and initial referrals were disseminated to participants in March 2023. Since then, 872 matches have been reviewed. Of these matches, 703 have been closed, while 104 cases are under investigation. Outcomes to date are detailed below.

<b>Matches</b>	<b>Fraud/Error</b>	<b>Amounts</b>
Student Loans (reported in 22/23)	1	£14,631
Waiting Lists (reported in 22/23)	1	£4,380
Tenancy Fraud	1	£13,115
Corrected Tenancies (low-risk fraud)	57	£28,500
	<b>60</b>	<b>£60,626</b>

### **v) PROTECT**

- 12.1 This aspect of the Strategy covers counter-fraud activity to protect public funds, saving the Council from fraud and protecting itself from future scams.
- 12.2 CAFS works with various registered social landlords and statutory agencies to help detect fraud and ensure that those living in affordable housing across the borough are correctly entitled. Tenancy fraud in affordable housing reduces the number of units available for those needing assistance. By supporting local housing associations, CAFS tries to help protect affordable housing across the whole community.
- 12.3 In one instance, Notting Hill Genesis (NHG) asked for assistance investigating a potential tenancy fraud in one of their properties. Following a CAFS investigation and subsequent interview, the tenant relinquished their interests in the property, handing back the keys and vacant possession.
- 12.4 Cases of note are reported in Appendix 1.

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

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

**Officer Contact:**

**Andy Hyatt**

Tri-borough Head of Fraud

**Telephone** 0207 361 3795

**Email:** [andrew.hyatt@rbkc.gov.uk](mailto:andrew.hyatt@rbkc.gov.uk)

Source	Fraud Review	Details
<p>Investigation and fraud control review</p>	<p>CAFS received an email allegation via their "report a fraud" mailbox, which suggested that an employee had been supplying a restaurant in Victoria with free commercial waste bags in exchange for free meals and sometimes wine. The complainant said the restaurant used about three bags daily and briefly described the employee.</p>	<p><b>Investigation</b> - Initial enquiries by CAFS via the Council's Waste Contract manager showed the restaurant had not purchased any bags since May 2018. Furthermore, the bags supplied in this area could only come from the waste contractors based at the Mandela Way site. This removed suspicion from Council employees and provided CAFS with a smaller pool of suspects from the contractor's operatives. Within this reduced number, the description provided matched only one operative.</p> <p>After a meeting with the contractor's senior management, CAFS evidence was discussed, and the matter was referred to their human resources department. The operative was suspended the following day, and an investigation manager was appointed. Their subsequent disciplinary investigation resulted in the operative being given a final written warning and removed from the Westminster contract.</p> <p><b>Risk review</b> - Working in collaboration, CAFS made recommendations to the contractors on how to improve controls. Having acknowledged these suggestions and reviewed their processes, they introduced additional safeguards to prevent and reduce the risk of this happening again.</p> <p>Due to CAFS's interventions, within a month of investigation activity, the restaurant started purchasing commercial waste bags from Westminster City Council.</p> <p><b>Loss calculation</b> - The restaurant trades six days per week. Therefore, 312 business days per year at three bags per day equals the need for 936 bags per annum. Sold in batches of 50, the restaurant would require approximately 18 packs annually. At £68.30 per batch, the total cost would be £1,229.40 per annum. Therefore, since May 2018, when the restaurant stopped buying bags from the Council, CAFS estimated a lost revenue income of £6,147.</p>

<p>Assurance review</p>	<p>Within the matches generated by the NFI, CAFS undertook a more in-depth investigation of report 120. This match identified cases where a housing tenant had died, and the local authority had been unnotified.</p> <p>There was a potential risk that properties were left vacant after the tenant's death and not repossessed or tenancy details not updated.</p>	<p>A total of 81 matches were identified where DWP records suggested that our tenant had passed away.</p> <p>CAFS reviewed all matches, and in the vast majority, the Council had either been notified of the death and acted accordingly, or one (of two) joint tenants had passed away, meaning that the property reverted into the name of the sole tenant. This occurred in a few cases, and through liaison, the housing department made the required amendments to update tenancy records.</p> <p>Assurances were obtained that the Council had suitable controls to mitigate the risks, with only one issue arising from 81 checked matches. CAFS recovered one property where the Council had not been notified of the death.</p>
<p>Fraud awareness training</p>	<p>Corporate Anti-Fraud Service (CAFS) delivered a School Fraud Awareness training session to eight Tri-Borough Internal Audit Team members. The training included examples of fraud recently occurring at schools across the borough, providing insight into potential fraud indicators.</p>	<p>Fraud awareness training is crucial for auditors, who play a vital role in detecting and preventing fraud. By receiving training on various types of fraud schemes, red flags, and investigative techniques, auditors can enhance their ability to identify potentially fraudulent activities during the audit process.</p> <p>It equips auditors with the knowledge of common fraud risks and the techniques used to manipulate processes or circumvent controls. This knowledge helps auditors assess the adequacy of anti-fraud controls and make informed judgments about risks.</p> <p>Furthermore, fraud awareness training enables auditors to understand the psychology behind fraudulent behaviour, including motives and rationalisations. This understanding helps auditors identify potential vulnerabilities in culture or control environment that may contribute to fraudulent activities.</p> <p>The sessions have helped auditors enhance their effectiveness in detecting and preventing fraud, ensuring they maintain professional scepticism, which is critical to their role.</p>

## Case Description

1. **HOMES FOR WESTMINSTER** (formerly Homeownership Westminster): Homes for Westminster is a unique intermediate housing service which enables eligible households to be prioritised for intermediate rental or homeownership opportunities within the City of Westminster. One criterion of the scheme is living or working in Westminster. To help protect the project and maintain its integrity, CAFS provide support by checking application details to verify the information provided.

One application that failed this control process was from an individual who lived in Lambeth but worked in Westminster. However, no supporting evidence was provided, so the applicant was asked to prove his employment in Westminster. In response, work references were submitted, but now the applicant had added his mother to the application, saying that if he was accepted to the scheme and later housed, his mother would give up her social housing property and live with him and his wife.

Intelligence checks showed no proof he lived at the address he declared, and the work references were found to be false. The application was rejected. Under the scheme, his details were noted on file because any future application would now be automatically refused. Where a fraudulent application is proven, the applicant is no longer eligible to re-apply to the scheme.

2. **EMPLOYEE FRAUD:** The Council received a call from a firm of engineering consultants to raise a concern that one of the employees had been "moonlighting" and working for the Council while working full-time for them. Our employee had accidentally emailed colleagues at their firm using his Westminster email account. When they confronted him, he denied working for the Council but resigned.

CAFS was commissioned to investigate, and a quick search of the employee's email account found four emails sent to individuals at the engineering consultancy. In one, he thanked colleagues for their hard work and efforts in delivering an extensive portfolio contract, while another contained an attached document. The document was a consultancy fee proposal, which he had signed off with a job title and email address for the said engineering consultants.

Open-source checks then identified an article published by the consultants detailing how an expert has joined their Leadership Team. That expert was our employee. The report states what an exciting time it is for the consultancy organisation to have recruited this person.

The investigation revealed that while employed full-time with Westminster City Council, our employee had taken a secondary full-time employment, which had not been disclosed and had been working for both organisations for the last six months. The investigation also revealed his own consultancy business, which he had not disclosed. He was suspended immediately, pending disciplinary action, but resigned shortly afterwards.

In such instances, the Council will always consider whether disciplinary action should proceed regardless of a resignation. However, the cost and the impact on senior officers hearing the case meant it was not in the public interest to proceed, and the resignation was accepted.

<p>3.</p>	<p><b>FALSE SUCCESSION:</b> A statutory succession referral was received for fraud checks when a man had applied to succeed his mother's tenancy at Wilkins House. Checks were completed that indicated that he had submitted a fraudulent application.</p> <p>Succession is a legal term used when a person takes over a tenancy when the tenant dies and relates to the statutory right of certain people to succeed and take on the tenancy legally. Sometimes, a qualifying family member can "succeed" if residing with the late tenant for 12 months before death. Neighbourhood Services did not believe the applicant fulfilled the criteria and had lied on the application.</p> <p>The applicant stated that he had lived at the address since 2016 and had not lived elsewhere. However, we later found that he had lived at two alternative addresses during the eligibility period. A series of intelligence checks showed that he was living in Elephant and Castle with his partner with whom he shared financial accounts. They then moved to Hemel Hempstead.</p> <p>Contact was made with the alternative local authorities, confirming they had a record of him living at these addresses and correspondence from him asking to be added as a household occupant. On top of this, it was found that the deceased tenant had a care plan in place when she was alive. The care plan detailed that her son was present occasionally but did not live at the property. She lived on her own and had carers three times a day. Based on the evidence found, he was invited in for an interview under caution for fraud act offences.</p> <p>He attended the interview with a solicitor and provided a written statement. The statement stated that he believed Wilkins House was his family home and main home. Still, he accepted that he had lived elsewhere during the eligibility period. As a result, he agreed to withdraw his application and return the keys to the Westminster property.</p>
<p>4.</p>	<p><b>TENANCY FRAUD (Notting Hill Genesis):</b> NHG asked for assistance investigating a potential tenancy fraud in one of their properties in Lanhill Road, Maida Vale. At the initial triage stage, fraud checks linked the tenant to property ownership in Welwyn Garden City, purchased after the tenancy began. However, this suggested that the tenant might not use the NHG property as her "main and principal" home. When the case was allocated to an investigator, further evidence was collated linking the tenant to Welwyn Garden, including her finances, local Council information and employment records.</p> <p>Visits were conducted regularly during the investigation, but no one, including the tenant, was found to be occupying the property. There were no concerns over subletting, but she was interviewed under caution with a wealth of evidence linking her outside of Westminster.</p> <p>At the meeting, she explained that she wasn't aware that she had to use the property as her main home, and naively, she thought she could pass the tenancy on to her sons when they became old enough. However, once the terms and conditions of her residency were explained to her, she relinquished it immediately, and the keys were handed back shortly after the meeting once she had removed any personal belongings.</p>

<p>5.</p>	<p><b>HOME OWNERSHIP SCHEME:</b> The Homeownership Service raised concerns regarding two applications for Home Ownership, which may have provided false information to fraudulently meet the criteria.</p> <p>Applicants to the Home Ownership Scheme must show that they had lived or worked within the borough in the past 12 months before submitting their applications. They also had to have no property ownership, but if they did, they had to show that they were actively selling.</p> <p>Evidence showed that the two brothers' application forms both contained false representation in an attempt to meet the scheme criteria. Therefore, they were both interviewed under caution.</p> <p>The first brother was found to be living outside of Westminster and owned two addresses. The other brother made similar false statements but also claimed to work in Westminster, which was found to be a lie.</p> <p>The same solicitor represented both, and at both interviews, they confirmed their name and address before answering "no comment" to all remaining questions.</p> <p>A few days after the interviews, the investigator received correspondence from the solicitor stating they both wished to withdraw their applications to Westminster City Council.</p>
<p>6.</p>	<p><b>ABANDONMENT:</b> CAFS received a referral from a housing officer concerned with a tenant's residency in Queensborough Terrace, W2, because they only ever see the tenant's daughter.</p> <p>Enquiries revealed that the tenant had left the UK in April 2021, but there were no immigration records of him returning. Because of this significant absence, suspension of his housing benefit was immediately recommended.</p> <p>The investigator conducted an unannounced visit to the property, but there was no response to their knocking. However, this raised the attention of neighbours, who told the investigators that the tenant was abroad and possibly deceased; his daughter was living there.</p> <p>The investigator hand-delivered a letter to the daughter, who replied by telephone confirming her father was very ill and in Benin City, Nigeria. He was unable to return to the UK.</p> <p>The daughter agreed to return the property, and in May 2023, the keys were handed in, presenting the Council with outright possession of this one-bedroom property.</p>



**7. FALSE SUCCESSION:** A husband-and-wife couple submitted a succession application for a two-bedroom property in Turner House, NW8, after the husband's mother died, claiming they had been residents for the last nine years. The application raised suspicions, and the housing officer passed the case to CAFS, with additional intelligence suggesting the couple lived out of London with the husband working in London just a few days per week.

Initial interrogation of Council records found no evidence of the couple there, no names on the electoral register, and their non-residency was further confirmed by single-person discount claims for the deceased tenant's council tax bill.

It was also noted that the couple had no resident parking permits. Still, the deceased tenant held a disabled parking permit as the passenger of a vehicle belonging to her daughter-in-law. The car was registered outside London.

The investigator then found a link to a cottage in Somerset, which turned out to have been owned by the couple until November 2021. The husband also used this same address to receive his civil service pension. However, enquiries with South Somerset District Council listed the couple at the address until 2021, when they left a forwarding address to Townsend Road, NW8. The couple used this Townsend Road address to receive their freedom travel passes.

The investigator visited the Townsend Road address and met the occupant. The occupant confirmed that the couple were friends who used to live in Somerset. The wife would drive the husband to London so that he could work (he does not drive). They stayed at Townsend Road two nights a week, and the occupant let them use the address for postal purposes. After selling the cottage in Somerset, they were set to buy a new place, but the purchase fell through, and they found themselves living at Turner House.

The couple were interviewed under caution but denied that the cottage was their principal home. Instead, they asserted that they only used the place during lockdown and for holidays.

After the meeting, they were asked to submit their bank accounts. An analysis of the statements, focusing on transactions in Somerset showed a habit of regular spending in the local area, which did not correlate with their explanation of it being a holiday home, i.e. transactions showed weekly trips to the local pub, weekly food shopping, garden centres, farm shops and DIY stores.

The couple still refused to return the keys, so the Council served notice, and the case progressed to Court. However, three days before the initial hearing, they returned the keys and said they were moving to Somerset.

<p>8.</p>	<p><b>ABANDONMENT:</b> A housing officer referred to CAFS concerned that the tenant of a two-bedroom flat in Westbourne Terrace, W2, was not utilising the property as her main and principal home and was mainly living in America with her husband.</p> <p>Initial checks on the tenant found little information that suggested the overseas residency may be correct. For example, checks with HMRC found no record of any income for the last two years and minimal financial activity.</p> <p>Furthermore, the tenant's husband was linked to an address in California, and an American property website duly confirmed that the couple had purchased a house there in March 2020.</p> <p>Given the information gathered, notices were duly served on the tenant, prompting her to contact the estate offices. She said she had been stuck in the USA longer than expected due to Covid. She signed an affidavit asserting that the Council flat in Westbourne Terrace remained her main and principal home and that she only held one passport (UK).</p> <p>Enquiries with UK Border revealed that between March 2017 and June 2022, she had only spent 134 in the United Kingdom. Their records also indicated that she held a second passport, an American one.</p> <p>The tenant was asked to attend a formal interview where she was adamant that she did not have a US passport. She said she stayed in America longer this time due to the pandemic, but usually, she only goes there for three months at a time because her husband works there. She confirmed that she could stay in the USA for as long as she liked because her husband has dual US/UK nationality.</p> <p>Following the interview, further enquiries were made, including contact with airlines she had used to travel to and from America. They confirmed the existence of her American passport, but this time, they provided the passport number. Additionally, bank records and credit card statements were obtained, aligning with her travel movements and verifying her extended stay in America.</p> <p>The evidence amassed showing the existence of a USA passport and her USA residency for approximately 90% of the year was presented at County Court as part of the Council's repossession cases. The Court granted outright possession.</p>
<p>9.</p>	<p><b>DATA MATCHING:</b> A National Fraud Initiative data match generated an investigation analysing housing tenants' records to DWP deceased records. The match identified a resident at Wilmcote House.</p> <p>Initial background checks appeared to support this information, but there was no death notification on the file from any family or next of kin. The investigator obtained a certified copy of the death certificate, and the appropriate papers and notices were served to recover the address. In July 2023, vacant possession was received for this one-bedroom property.</p>

<p><b>10.</b></p>	<p><b>FALSE SUCCESSION:</b> CAFS commenced an investigation when a female applied to succeed a tenancy in Portnall Road following the tenant's death. She claimed to be the tenant's niece and had lived with him since 2020.</p> <p>This information seemed strange to the housing officer because the Council had only discovered the tenant's death a few months earlier, at the end of 2022, when the DWP notified the Council of the tenant's death, not any of his family members. Also, the DWP confirmed that the tenant had died in 2021, so why had it taken so long for the niece to apply to succeed the tenancy?</p> <p>Initial interrogation of Council systems showed no record of the niece's residency, and the late tenant had never declared her on his welfare benefit forms or council tax records. Her financial records were inconclusive but revealed no transactions near the Portnall Road address.</p> <p>Her bank records also linked her to an undisclosed account, and the investigator asked her to attend a formal interview and to bring all her bank statements, including the previously unknown account. However, the niece called the investigator and refused to attend, citing ill health. However, she agreed to provide the undisclosed bank statements by post.</p> <p>The bank statements have yet to arrive, but a few days after the telephone call, an unknown person attended Council offices and returned the keys to the flat. Two days later, the Housing officer inspected the property and confirmed that it was empty, and vacant possession of this one-bedroom property was obtained.</p>
<p><b>11.</b></p>	<p><b>ABANDONMENT</b> (Notting Hill Genesis): This referral was passed to CAFS by Kensington and Chelsea's Housing Management Team, who had been checking a mutual exchange request with a Notting Hill Genesis (NHG) tenant living in Westminster. The NHG tenant lived in a three-bedroom property in St Michaels Street, W2, but wanted to move to Kensington. However, due diligence enquiries suggested he lived in Northampton and may have vacated the St Michaels Street address.</p> <p>Investigations revealed he owned a property in Northampton and finance records were all linked to this property. Additionally, residency visits to the Westminster address were unsuccessful, and all information gathered now indicated that St. Michaels Street had been abandoned.</p> <p>NHG reviewed the evidence gathered by CAFS, and they were satisfied that their tenant had not been using their property as their main and principal residence and asked them to surrender their tenancy.</p> <p>Having been presented with CAFS evidence and the possibility that trying to challenge this in court may incur significant costs, he duly complied and signed a surrender and Notice to Quit forms. He relinquished the three-bedroom property immediately, which can now be used by a family in genuine need of assistance.</p>

<p>12.</p>	<p><b>ABANDONMENT:</b> CAFS received a referral from a local housing association, Notting Hill Genesis, asking for assistance with a non-residency tenancy matter. They were concerned that the tenant of a flat on Randolph Avenue was not occupying the property as his main and principal home.</p> <p>Initial enquiries revealed several anomalies. In particular, the tenant was financially linked to an out-of-borough address on Dyne Road in the London Borough of Brent. The tenancy was in his mother's name and was another NHG property.</p> <p>Several visits were completed to Randolph Avenue, but there was no answer, and the tenant was never found at the address. Neighbours said they assumed the property was empty. However, a visit to the Dyne Road address in Brent found him there, but he said he was merely looking after the address for a friend. The tenant's responses were not challenged because more evidence was required, and this came when the investigator discovered that his mother and the named tenant of Dyne Road had been permanently moved into a care home.</p> <p>Additional evidence of non-residency in Randolph Avenue was amassed, including a lack of utility usage, and the tenant was invited to attend an interview under caution. During this meeting, he confirmed that he had permanently lived at his mother's address since 2018. He had no further explanation for why he remained there after his mother left or abandoned Randolph Avenue.</p> <p>The information was presented to NHG, who commenced repossession of Randolph Avenue, successfully gaining possession via Court, in July 2023.</p>
<p>13.</p>	<p><b>FALSE SUCCESSION:</b> CAFS commenced an investigation when Housing colleagues asked CAFS to review a succession application by the partner of the deceased tenant at a flat in Maryland's Road, W9. The application and supporting information suggested that neither the tenant nor the partner lived at Maryland's Road address before the death.</p> <p>The succession application by the partner gave his address in Sutherland Avenue. In contrast, the former tenant's death certificate gave an address in Bournemouth.</p> <p>CAFS investigator challenged the partner's account of residency, but he could not provide proof of residing at the address before the tenant's death. He was asked to return the keys but refused even though his application was denied.</p> <p>Given that the application appeared false, he was invited to attend an interview under caution. However, before a date could be fixed, he returned the keys.</p>

**14. FALSE SUCCESSION:** A Housing Officer was concerned with the succession application received from the daughter of a deceased tenant. The daughter declared that the property in Vincent Street, Pimlico, had been her home since 1985 and that she did not have a tenancy elsewhere.

The Housing Officer had never seen the daughter at the property. Suspicions were heightened when the tenant's death certificate showed the daughter had registered the death. In doing so, she gave her address as Lanark Road in Maida Vale, W9.

The subsequent investigation found details on the tenant's file confirming that her daughter left the Pimlico address in 2020. It verified that the daughter was a joint tenant at a property in Maida Vale along with her husband and their children, one of whom attended the local school.

The investigator conducted an un-notified visit to Maida Vale, where he found the daughter and her family in residence. Although she initially denied this was her permanent address, her answers to the investigator's questions further confirmed that this was her principal home.

She agreed to withdraw her application, and later the same day, she returned the keys to the Vincent Street address.