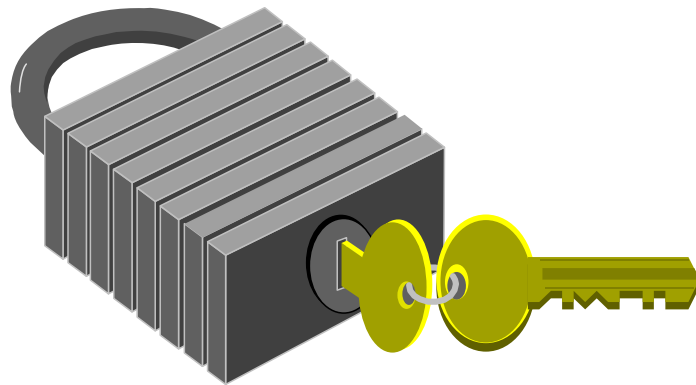


Suffolk Coastal District Council Corporate Counter Fraud Unit  
**Countering the Threat – Benefit Fraud Information Guide**



**Securing the System against Benefit Fraud**

## **Introduction**

### **About Suffolk Coastal**

Suffolk Coastal District Council aims to provide high quality value for money public services for the benefit of all those who visit, reside or work within the district.

In order to achieve this, we need to ensure that we take good care of our finances and undertake our duties in a responsible, efficient and effective manner. In doing so, we believe that the public and local businesses will have confidence both in us as an organisation and in the services we provide on their behalf.

### **Housing and Council Tax Benefit**

One of our key tasks is administering Housing and Council Tax Benefits to those qualifying individuals living in our area. To qualify for housing benefit, an applicant must have a low income, less than £16,000 capital and be liable to make rental payments in respect of the property in which they reside. To qualify for Council Tax Benefit an applicant must have a low income, less than £16,000 capital and be registered as being liable to make Council Tax payments.

Nationally, benefit fraud is a problem; annually it costs the nation up to £2 billion; money paid by the taxpayer and by businesses. Not only does this fraud cost the taxpayers' money but it impacts upon the services provided by the state.

Locally, the numbers of prosecutions and sanctions (alternatives to prosecution) are increasing; a sign both that benefit fraud continues to be a local and a national problem, but also that we are committed to preventing and reducing fraud.

### **Working in Partnership with Business and The Public**

We hope to work in partnership with the public and local businesses in order to prevent fraud from entering the system. We are realistic though and we recognise that it is inevitable that some fraud will get past our internal checking and verification controls. Where this occurs, we are committed to ensuring that we detect such fraud and act upon it as quickly as possible to minimise the loss to public funds.

The purpose of this document is to advise our residents and the businesses operating within our district as to the potential threat of fraud, how we will respond to this threat, and how members of the public and local businesses can work in partnership with us.

### **Contacting the Council**

Full contact details of the Authority's Corporate Counter Fraud Unit are given on page 7.

Mrs S Mills  
Corporate Counter Fraud Manager

August 2009

## **The Cost of Fraud**

### **The Cost to Local Authorities**

In terms of cost, benefit fraud accounts for in excess of 90% of all fraud committed against Local Government. It is estimated that £100 million is lost through Housing and Council Tax Benefit fraud every year. This means that money must also be spent by each Local Authority in maintaining a counter-fraud service to prevent and detect benefit fraud and to assist in the prosecution of benefit cheats.

### **The Cost to Honest Claimants**

To stop fraudulent claims from entering the system, Local Authorities carry out a wide range of verification checks on claims submitted. This can slow down the processing system and take longer for claimants to receive the benefit they are entitled to. This can also result in delays for their landlords and because of this, some landlords have decided that they do not wish to let their properties to people claiming benefit.

Part of the verification process involves visiting claimants at their homes and verifying the information they have provided;. this can appear intrusive and upsetting for some people.

### **The Cost to Local Services**

Benefit Fraud diverts money away from the public services each Local Authority provides.

Money wasted by fraud means that there is less money available to provide vital local services, services such as educating our children, keeping our streets patrolled by the Police service and caring for the needy and the vulnerable by social services.

### **The Cost to the Economy**

Collusive employers, employers who conspire with their employees to defraud the state benefits system, can undercut their honest competitors by paying lower wages to employees who they know are dishonestly claiming state benefits.

This gives the unscrupulous employer an unfair advantage over their honest competitors; an advantage that could lead to honest businesses folding and honest employees losing their jobs.

### **The Cost to the Council Tax Payer**

The money lost through benefit fraud and the money spent on fighting this fraud has a direct cost to the Council Taxpayer. It costs the Local Authority more to provide the same level of services because of the losses sustained from benefit fraud. This is money taken from the pockets of our Council Taxpayers.

## **Suffolk Coastal's Response**

### **Our View of Benefit Fraud**

We believe that all benefit fraud is an unacceptable waste of public resources and that we are under a duty to actively prevent, detect and prosecute those guilty of committing, benefit fraud. We believe that the majority of people who claim state benefits are honest and we accept that honest mistakes can occur. However, we also recognise that there is a small minority of people who will dishonestly seek to obtain benefit payments to which they are not entitled. It is because of this small minority that we must maintain robust counter-fraud systems in order to prevent fraudulent claims from entering the system and detect those that do.

### **How We Will Combat Fraud**

We will combat fraud by:

*Deterrence and Prevention* – We publicise our counter-fraud activities, including publicising the cases we prosecute within the criminal courts, within the local press and media. We also provide clear instructions to those applying for and receiving benefit payments about the requirement to provide true and complete information and to tell us about any changes in their personal circumstances.

*Detection* – We train our staff to detect fraudulent claims and maintain a series of checks and systems in order to detect fraudulent claims at the earliest opportunity in order to prevent making any benefit payments to those who are not entitled to receive them.

*Investigation* – We maintain a counter-fraud service, the Counter Fraud Unit, to spearhead our fight against benefit fraud. We ensure that our investigators are professionally trained and qualified and undertake thorough investigations into cases of suspected fraud.

*Joint Working* - Our investigators will work with other agencies, such as the Department for Work and Pensions, the Police and the Inland Revenue to investigate suspected cases of benefit fraud and to prosecute those we believe are guilty of making false claims.

*Prosecution* – Where it is in the public interest, we will prosecute within the criminal courts those who we believe are guilty of defrauding the state benefits system.

*Recovery* – We will seek to recover, by all lawful means, all benefits overpaid as a result of fraud.

### **Monitoring Our Performance**

We will set ourselves challenging targets to reduce the levels of fraud and to prosecute and sanction those we believe are guilty of offences. We will actively monitor our performance and publicise the results of our activities in order to inform our residents, Council Tax Payers and business operating within our boundaries.

## **Our Values in Combating Fraud**

### **Our Principles**

Our Counter Fraud Unit is committed to providing a professional and responsive service to, and in the interests of, all those living and working within the Authority's district. In seeking to achieve these aims, we will:

- Be professional, objective, and fair with all those with whom we deal;
- We will ensure that our actions are proportionate and that our enquiries are thorough but not excessive;
- Unless prejudicial to our work, we will be open and clearly communicate who we are and the purpose of our work
- Where we make a mistake, we will acknowledge this and apologise; and
- We will adhere to all applicable legislation and stated best practice.

### **Our Prosecution and Sanctions Policy**

To ensure that we are treating those we believe are guilty of committing benefit-fraud related offences fairly and consistently, we will maintain and adhere to the terms of our Prosecutions and Sanctions Policy. This policy sets out our criteria for dealing with such individuals.

Where our Legal Section believes that there is sufficient evidence to warrant prosecution, but consider that it is not in the public interest as a first option to instigate such proceedings, we may offer alternatives to prosecution. In such instances we may offer either a "formal caution" (a formal verbal warning) or an "administrative penalty" (a financial penalty). Where these offers are refused, we retain the option of instigating prosecution proceedings.

Where our Legal Section believes that there is sufficient evidence to warrant prosecution and it is considered that it is in the public interest to do so, we will prosecute those we believe are guilty of benefit fraud within the criminal courts.

### **The Use of Surveillance and Statutory Powers**

Were it is necessary to do so, and it is in accordance with the law, we will use covert surveillance and statutory powers (concerning the obtaining of information) in order to further our enquiries.

In conducting covert surveillance and using statutory powers, we will adhere to the provisions of all appropriate legislation (i.e. the Regulation of Investigatory Powers Act 2000) and to the codes of practice concerning surveillance and obtaining information. Copy of these code are available upon request.

We will conduct surveillance and use our statutory powers only as a last resort or where alternative means of investigation are inappropriate, more intrusive, or would not provide the necessary evidence.

## **Working With The Public, Businesses and Landlords**

### **The Assistance of the Public**

We believe that the public has a vital role to play in helping us secure the benefits system from fraud and in doing so, release more money for vital public services. We actively encourage members of the public to report anyone they believe is cheating the benefits system (please see page 8 “Contacting Us”). All suspicions reported to us are treated in the strictest confidence.

We acknowledge that there is reluctance in some quarters to report those persons suspected of committing benefit fraud and that there is a belief that such fraud is, in “small doses”, socially acceptable. However, benefit fraud is a criminal offence – the maximum penalties are severe (7 years imprisonment and / or an unlimited fine). Additionally, the total national losses through benefit fraud are estimated as being £2 billion per year; £2 billion worth of public services – services often most used by the most vulnerable in our society.

### **The Assistance of Employers and Businesses**

We believe that fighting benefit fraud, and identifying collusive employers in particular, is in the interests of both local business and of the local economy. We therefore encourage local businesses to help prevent and detect fraud by co-operating with any lawful requests for information made by us and by reporting any suspicions, concerning either individuals or businesses, who they believe are defrauding the benefits system.

Employers can also be of assistance by ensuring that they obtain satisfactory proof of identity and proof of National Insurance number(s) in respect of all new employees and treat with suspicion any requests for “cash-in-hand” payments.

All suspicions reported to us are treated in the strictest confidence.

### **The Assistance of Landlords**

Landlords, particularly those landlords who receive direct benefit payments, have a key role to play in assisting us with combating fraud. Landlords can do this by informing the Authority of any vacancies from their properties by benefit claimants, by co-operating with any lawful requests for information made by us and by reporting any suspicions about any of their tenants who they believe is defrauding the state benefits system.

Landlords who receive direct payments must advise us as to when the tenant (in respect of whom they receive direct payments) has vacated or of any unreported changes in circumstances they become aware of. Where landlords, who receive direct payments, advise us of these matters they will not be liable to repay any overpaid benefit; we will seek restitution from the claimant. However, this restitution may take the form of “claw-back” from ongoing benefit paid in respect of that claimant, regardless as to whether it is paid to the landlord direct or to the claimant.

Again, all suspicions reported to us are treated in the strictest confidence

## Contacting Us

### Feedback

We welcome any comments and feedback from members of the public, voluntary groups, landlords and local businesses concerning how we can continue to combat the threat of fraud or any aspect of our counter-fraud work.

We can be contacted by:

Mail: Corporate Counter Fraud Unit  
Suffolk Coastal District Council  
Melton Hill  
Woodbridge  
IP12 1AU

Telephone - (general office): **01394 444456** (direct dial)

**01394 383789 Ext. 2456** (switchboard)

The general office is usually staffed from 8.15am to 5pm Monday to Thursday and 8.15am to 4.30pm Friday. An ansaphone is in operation at all other times.

Benefit Fraud Hotline: **01394 444444**

We actively encourage anyone who believes they may have information concerning anyone who is defrauding the benefits system to share their concerns with us by calling the benefit fraud hotline.

The fraud hotline is usually staffed from 8.45am to 5pm Monday to Thursday and 8.45am to 4.30pm Friday. An ansaphone is in operation at all other times.

The ansaphone is staffed by trained counter-fraud personnel. You do not have to give your name if you do not wish to do so and all calls are treated in the strictest confidence.

On-Line Fraud Report Form:

<http://www.suffolkcoastal.gov.uk/yourhome/benefits/fraud/default.htm>

E-Mail: **fraud.investigation@suffolkcoastal.gov.uk**

Fax: **01394 444531**