

Corporate Fraud Team Annual Summary 2016/2017.

A total of 28 Right to Buy (RTB) applications have been stopped and/or withdrawn as a result of investigation team involvement. A number of these have been identified as having significant issues over the origin of the funding, giving rise to money laundering suspicions. Others were stopped due to issues such as providing false or misleading information on the RTB applications (for example: failure to declare ownership of other property or previous RTB purchases etc.).

As a result of this, approximately £2.1 million of potential RTB discount has been stopped (based on the current maximum discount of £77,900). Furthermore, 27 of these properties continue to remain as valuable public assets providing future revenue streams of approximately £1.2M in the form of rent paid to the Council.

Other investigations into suspected housing frauds have resulted in the recovery of 16 council properties which can be re-let to priority cases on the waiting list saving approximately £290,000 (based on the Audit Commission figure of £18,000 to house a family in temporary accommodation).

The team participated and were featured in a Radio 4 documentary on fraud and abuse in the Right to Buy Scheme.

A housing application was rejected due to the Corporate Fraud Team discovering the applicant had not been honest on their application.

The Corporate Fraud Team has, and continue to be, involved in a number of criminal prosecutions:

- A Waltham Abbey resident was successfully convicted in July 2016 for fraud relating to the Local Council Tax Support Scheme. The defendant failed to declare that they had substantial capital in the form of a second property which negated their entitlement to this discount from 2013. They were sentenced to 100 hours of unpaid work in the community and had to pay the Council's prosecution costs.
- A former EFDC tenant from Loughton was successfully prosecuted using The Prevention of Social Housing Fraud Act 2013 (POSHFA) for illegally subletting their Council home. The defendant, who has not yet been sentenced as they still face a number of other charges at a crown court trial in August, pleaded guilty to the POSHFA offence. The defendant surrendered the keys to the property to the investigating officers when confronted.
- An EFDC council tenant from Chigwell was successfully convicted at Chelmsford Crown Court on four charges brought under the Fraud Act 2006 relating to obtaining a council property by deception. The defendant, when applying for social housing at various stages between 2009 and 2013 repeatedly failed to declare part ownership of a residential property in East London. Despite initially entering pleas of not guilty, the defendant subsequently changed their pleas at a further court hearing and were sentenced to 15 months imprisonment for each charge (to be suspended for 12 months) and ordered to carry out 180 hours of unpaid work in the community. Officers from the Housing Department are currently taking steps to evict the tenant

from the property as it was found that due to the deception, the tenancy should never have been awarded.

- There is an active prosecution relating to various charges of fraud connected to social housing fraud which is due to go to crown court trial in October 2017. This case is also subject to Proceeds of Crime Act action for issues such as money laundering and if convicted, the Council will be pursuing claims for compensation / confiscation under the Act.
- A Formal Caution was also administered to an Ongar resident for fraud connected to a Right to Buy application.

The Corporate Fraud Team has also undertaken a number of other investigations including two staff related investigations; one of which resulted in the dismissal of a staff member for gross misconduct. The Team assisted Human Resources by undertaking a full investigation into a grievance brought by a staff member which resulted in two individuals accepting agreed outcomes.

The Corporate Fraud Team has also undertaken a Standards Investigation, for which a fee was received, with another currently ongoing.

The Team's Accredited Financial Investigator is currently providing the Planning department of Broxbourne Council with a Proceeds of Crime investigation connected to a prosecution they have brought under the planning regulations. This service is being conducted on a paid for basis and if successful, EFDC stand to receive a proportion of any financial award made by the Court.

In September 2016, a further experienced and qualified fraud investigator was successfully recruited to the team who has made good progress and contributed to the results shown above.

Members of the public are continuing to be encouraged to report fraud and an advertising campaign has been undertaken whereby "know a cheat in your street" leaflets went out in every Council Tax and Business Rates bill. The team is continuing to provide training and advice to external organisations and to explore areas showing the potential for joint working or shared service arrangements. Advice and formal training relating to the prevention and detection of social housing fraud have been provided to Officers of Harlow Council.

The Team has begun an informal joint working arrangement with Chelmsford City Council relating to the sharing of antifraud staff and resources and similar arrangements are currently being explored with at least a further two authorities in Essex.

The Corporate Fraud Team has founded The Eastern Corporate Fraud Group, which aims to bring together counter fraud professionals from local authorities in Essex, Suffolk and Norfolk in a meaningful forum to discuss and promote best practice, form agreements and partnerships for information sharing and offer support and resources to carry out investigations etc. Three successful meetings have already been held at North Weald Airfield with plans to move the group forward in the next 12 months by looking at opportunities for cross authority training etc.