

Appendix 1

Corporate Fraud Team: Achievements and Progress 2017/2018

Right to Buy

A total of 26 Right to Buy applications have been stopped and / or withdrawn due to involvement by the corporate fraud team and the on-going commitment to positively vet 100% of applications. A number of these applications have been identified as having issues which would impact on the property purchase going ahead being tenancy related issues (suspected subletting, not utilising it as their main or principle home etc.) or significant concerns over the origin of the funding giving rise to suspicions of money laundering.

As a result of these applications being stopped or withdrawn, approximately £2 million of potential Right to Buy discount has been saved by the Council (based on the revised maximum discount amount of £78,600).

As purchases did not go ahead on 26 EFDC properties, these properties continue to remain as valuable public assets allowing the Council to potentially utilise them at a later date to house applicants from the waiting list. Furthermore, keeping them within the housing stock means that these properties continue to provide significant revenue streams in the form of on-going rent payments which have been calculated to be worth approximately £1.1 million to the Council going forward.

Recovered Properties

As a result into other suspected social housing frauds, the Corporate Fraud Team has been instrumental in recovering seven Council properties from tenants who were suspected of being involved in issues such as illegal subletting, not using the property as their main or principle home or in some cases, having abandoned the property all together and were living elsewhere. By recovering these properties, they can be re-let to priority cases on the waiting list and saving the Council approximately £301,708 (based on EFDC's Corporate Fraud Team figures).

Successful Prosecutions

During 2017 / 2018, two successful criminal prosecutions were brought by the team, the details of which are in the public domain. The details are as follows:

- **Fadimana Altinsoy**

Fadiman Altinsoy was prosecuted for three offences under The Fraud Act 2006 and one of money laundering under The Proceeds of Crime Act 2002. Having initially entered pleas of Not Guilty, the case progressed through the Courts towards a trial at Chelmsford Crown Court set for January 2018 that was set for six days. Before the trial commenced, however, she changed her pleas to Guilty. She agreed to pay the Council the sum of £28,000 (the value of the fraudulently obtained Home Ownership Grant) together with the prosecution costs of £12,500 before the beginning of March 2018; sums that have duly been received. At her March 2018 sentence hearing, she was sentenced to two years imprisonment

suspended for two years together with a requirement to carry out 200 hours of unpaid work in line with a 12 month probation supervision order.

The basis of the prosecution was that following an investigation by the Corporate Fraud Team, it came to light that when applying for Council Housing in 2003, Ms Altinsoy had failed to declare ownership of two properties that she jointly owned with relatives in Forest Gate, London and Grays, Essex respectively.

She obtained a council tenancy in Chigwell where she remained a tenant until 2010 when she applied for a Home Ownership Grant to assist her to purchase a property in Basildon, again failing to declare her ownership of two other properties. She was paid the grant of £28,000 and relinquished her council tenancy, however as she should never have been granted a tenancy in the first instance, no Home Ownership Grant should ever have been paid if her true circumstances were known at the time.

- **Paula Callaway**

Paula Callaway was prosecuted for two offences under The Fraud Act 2006, one under The Prevention of Social Housing Act (POSHFA) 2013 and two offences of Money Laundering under The Proceeds of Crime Act 2002. Despite pleading guilty to the POSHFA charge at the beginning, Ms Callaway entered not guilty pleas to the other charges and the case was sent to Chelmsford Crown Court for Ms Callaway to stand trial. At her trial, she was found guilty of the two Fraud Act charges, however, not guilty verdicts were returned in respect of the two money laundering charges. In September 2017, she was sentenced to 12 months imprisonment suspended for 12 months and order to undertake 150 hours of unpaid work in the community.

Further action was taken against Ms Callaway under The Proceeds of Crime Act 2002 and at a further hearing at the Crown Court in March 2018, she was ordered by the judge to pay the Council compensation of £49, 020 and a further £7,480 towards the prosecution costs.

The basis for the prosecution was that following an investigation by The Corporate Fraud Team, it was discovered that Ms Callaway became a tenant of Moat Housing Association in 1999, however, in 2011 she applied to undertake a mutual exchange with a tenant holding an EFDC tenancy. In January 2012, the exchange took place and she became an EFDC tenant. Investigations discovered that she had purchased a property in Great Dunmow in 2009 and had been living in it since that date, whilst sub-letting her Moat Housing property. Upon obtaining the mutual exchange in the EFDC property, it came to light that Ms Callaway had simply moved her sub-tenants into the property and continued receiving monies for rent whilst living in Dunmow. When she confronted about the matter during a formal interview, she immediately surrendered the tenancy and handed the keys back, however, it was deemed that her conduct was dishonest and so serious, that a criminal prosecution should be sought.

Other Social Housing Related Fraud

The Corporate Fraud Team have also been very active in undertaking investigations into other areas of social housing fraud, having successes in areas such as housing application fraud. Several housing applications have been stopped this year due to CFT involvement whereby it was discovered through investigative enquiries that the applicants had given false

information of their housing application forms. As a result of this, several applicants have been removed from the Housing waiting list.

Proceeds of Crime Work

In addition to the successful Proceeds of Crime outcomes given in the cases above, the CFT have also had success in providing a Proceeds of Crime investigation and subsequent court action for Broxbourne Borough Council in a planning prosecution they brought against a Cheshunt resident. As a result of the POCA action, Broxbourne were awarded a compensation sum at a hearing at St. Albans Crown Court of which EFDC will receive 20%.

Joint Working Initiative with Brentwood Borough Council

In September 2017, the Corporate Fraud Team entered into a joint working initiative with Brentwood Borough Council to provide them with two days week of fraud investigation work, advice and training to compliment and assist their existing anti-fraud resources. This work is being provided on a paid for basis and has already has been responsible for a number of successful investigation outcomes for Brentwood such as withdrawn Right to Buy applications as well as recovering at least three properties to date. The initiative is also undertaking its first criminal prosecution for a case of Council Tax fraud and the use of forged / counterfeit documents.

Joint Working Arrangements with Chelmsford City Council

The informal joint working arrangement with the fraud section at Chelmsford City Council has continued this year and sets to continue into 2018 / 2019. This is an informal arrangement relating to the sharing of anti-fraud staff and resources.

Other notable Work

The Corporate Fraud Team have worked alongside Council Tax officers to provide investigation resources and support in a case relating to a resident living in Sedge Green avoiding Council Tax liability on a residential property for a number of years. The resident was insisting that he was not liable for the property as he did not live there and insisted that the Council Tax be in his father's name who did actually live at the address. It was subsequently discovered that his father died in the early 1990's. The matter made its way up to an appeal to the Valuation Office as the resident was still insistent that he should not be liable for the Council Tax but due to the strength of evidence and accounts given by both Council Tax officers and the Corporate Fraud Investigator, the appeal was dismissed and the resident found liable.

Corporate Fraud Team officers have also this year undertaken a further Member Standards Investigation for which it has been remunerated.

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 have gone out in every Council Tax and Business Rates bill.

The team is continuing to provide training and advice to external organisations and areas for potential joint working or shared service arrangements continue to be explored. Advice and

formal training have been provided to officers of Harlow Council relating to the prevention and detection of social housing fraud.

The Corporate Fraud Team continue to host 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. A number of 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 and joint working arrangements.