



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	12 May 2016
Classification:	For General Release
Title:	Counter Fraud 2015/16 – End of Year Report
Wards Affected:	All
Financial Summary:	The Council's budget
Report of:	Steven Mair, City Treasurer (Section 151 Officer)
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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 in respect of work undertaken by the fraud service during the period 1 April 2015 to 31 March 2016.

FOR INFORMATION

1. BACKGROUND

- 1.1 This report provides an account of fraud related activity undertaken by the Tri-borough Corporate Anti-Fraud Service (CAFS) from 1 April 2015 to 31 March 2016.
- 1.2 The partnership continues to reap a number of benefits including the sharing of skills and expertise, a "compare and contrast" review to identify the best practice, and the streamlining of anti-fraud related policies and procedures.
- 1.3 CAFS continues to provide Westminster City Council with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.
- 1.4 This report details the first year of work with a reduced establishment following the Government's decision to centralise the investigation of housing benefit fraud, creating a Single Fraud Investigation Service (SFIS). On 1 March 2015 the City of Westminster fraud service's reduced by eight posts

when four investigators transferred their employment to the Department for Work and Pensions (DWP), and four other investigation posts remained with the out-going contractors.

1.5 For the financial year ending 31 March 2016, fraudulent activity, with a notional value of over £2.4million has been identified, as detailed in the following table.

Activity	Fraud proven 2015/16	Notional value of fraud identified 2015/16 (£'s)
1. Tenancy Fraud (CWH & Housing Association)	6	340,000
2. Right to Buy	9	935,100
3. Equity Loan Fraud	2	706,460
4. Residents Parking	49	277,588
5. Blue Badge – Disabled Parking	15	51,667
6. Internal Staff and Other Services	10	29,510
7. POCA	1	153,824
Total	92	2,494,149

1.6 Details of sample fraud cases are reported at **Appendix 1**.

NB: fraud in the different service areas has been valued as follows:

- Tenancy Fraud: £54,000 per property based upon the average cost of temporary accommodation (£18,000 p.a.) multiplied by the average length of stay (3 years). An additional £8,000 saving is also claimed when keys are returned based upon average cost of legal action and bailiff intervention to recover property via the court (these measures of savings were provided by the Audit Commission prior to their abolition)
- Residents Parking – calculation based upon lost of income as a result of fraudulently obtained or used permits.
- Disabled Parking: Seizures, Cautions and Prosecution are valued as £825, £2,822 and £5,644 respectively as per the notional values of estimated lost parking income in relation to the levels of misuse.

2. WHISTLEBLOWING

2.1 The Council's whistleblowing policy, known as "Whistleblowing at Work" identifies the Tri-borough Director for Audit, Fraud Risk and Insurance as one of the main contacts for staff wishing to report a concern that they believe they cannot discuss with their line manager.

2.2 From 1 April 2015 to 1 March 2016 no whistleblowing referrals (as defined in the policy) have been received.

2.3 CAFS plan to review the existing process and run a Council wide campaign during 2016/17 to ensure all staff are fully aware of the policy and process for making referrals.

3. ANTI-FRAUD STRATEGY

3.1 CAFS are currently developing a new Anti-Fraud Strategy across Tri-borough. The strategy will align to the newly released national strategy, **Fighting Fraud and Corruption Locally**, as well as placing greater emphasis upon developing and improving fraud prevention techniques across The City of Westminster.

3.2 With reducing investigative resources an anti-fraud strategy can no longer depend on detection and enforcement activities alone, and the success of preventative techniques, as seen in the Right To Buy process, evidences the effectiveness of this activity.

3.3 Prevention is often the most efficient way to make savings and the strategy will aim to educate staff about the risks of fraud, as well as provide the appropriate skills, tools and support to prevent it.

3.4 The prevention element of the Council's new strategy will be underpinned by five key work streams;

1. **Evaluation** – CAFS will assess and gain a greater understanding of the various fraud risks the Council faces, performing a risk assessment and fraud resilience check.
2. **Engagement** – Liaison across Council services and departments to further quantify fraud risks and mitigating processes.
3. **Education** – Bespoke fraud awareness to inform staff about the risks and impact of fraud occurring with their own services as well as across the Council.
4. **Empowerment** – Provide services with the skills, techniques, tools and controls that will aid fraud prevention.
5. **Enforcement** – Where fraud is identified that cannot be dealt with at a service level, CAFS will continue to provide investigative support and continue to investigate suspicions of fraud.

3.5 Work which underpins the planned strategy has already commenced and this report details the year's counter fraud activities under the headings; Detection, Prevention and Deterrence.

3.6 A copy of the newly released national strategy, Fighting Fraud and Corruption Locally is provided at Appendix 2 for reference.

4. FRAUD PREVENTION ACTIVITIES

Fraud Prevention Tools

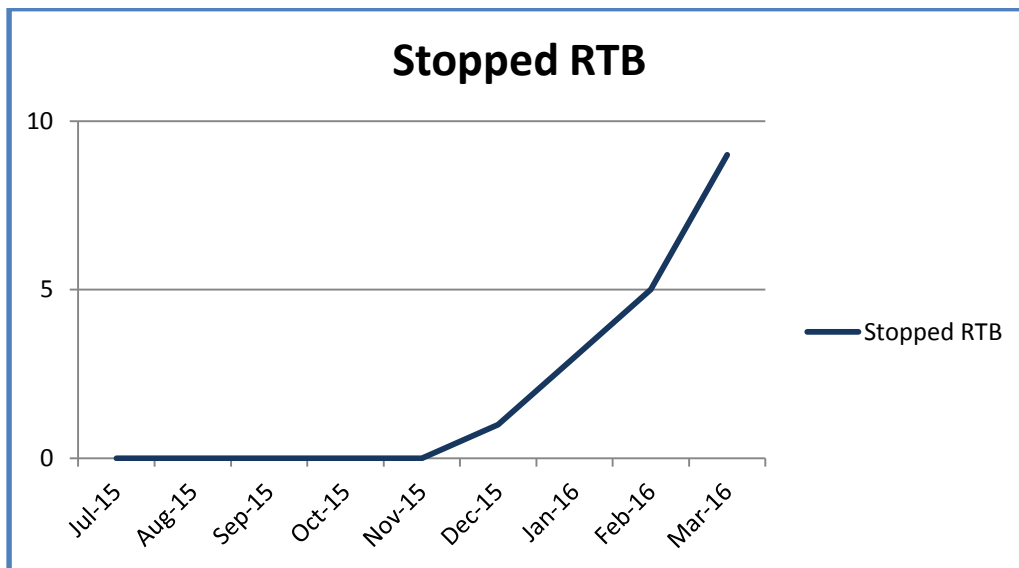
- 4.1 In June 2015 CAFS provided Housing Options with an on-line tool for the assessment of all new housing applications. The National Fraud Initiative's (NFI) Application Checker allows frontline staff to check and verify the details of all new applications for housing.
- 4.2 The NFI is a sophisticated data matching exercise devised by the Audit Commission and currently overseen by the Cabinet Office, which matches electronic data within and between public and private sector bodies to prevent and detect fraud.
- 4.3 By using the Checker, Housing Options can access the data held by NFI and verify the information provided by the applicant. This reduces the risk of fraudulent applications and streamlines the process of checking them. It is easy and quick to use, instantly providing key information about the applicant.
- 4.4 Following the rollout of the Checker to housing, access to the service was extended to Schools Admission to assist with their verification process for the September 2016 intake of new students.
- 4.5 In addition to the NFI Checker, CAFS also rolled out the West London Hub "Track a Fraudster" system which will provide direct access for Housing Options and appropriate officers within City West Homes.
- 4.6 The Hub extracts data from participating Councils. The data includes tenancy data, common housing register information and Council Tax Replacement Scheme (CTRS). It then matches this data between authorities in order to identify anomalies. For example, if a Westminster tenant is receiving CTRS from another Council, it suggests the possibility of tenancy or housing fraud.
- 4.7 Unlike the NFI system, the West London Hub extracts data from Councils each month ensuring the datasets remain up to date.

Right to Buy (RTBs)

- 4.8 The number of RTB applications has continued to rise over the last 12 months with tenants benefiting from the scheme's discounts up to a maximum of £103,900.
- 4.9 With such large discounts available to prospective purchasers there is a greater risk of fraud, and to this effect CAFS now apply an enhanced fraud prevention process to all new RTB applications.
- 4.10 The additional checks include anti money laundering questionnaires which prevent the Council systems from being used for money laundering purposes, with referrals being made to the National Crime Agency as appropriate. The

checks also include financial and residential verification which provides CWH with assurance that tenants are eligible to the discount and fulfil the criteria of the scheme ahead of completion.

- 4.11 In the year to 31 March 2016 CAFS have successfully prevented nine Right to Buys from completion, where suspicion was raised as to the tenant's eligibility or financial status. In many instances these have been as a result of the tenant voluntarily withdrawing their application once checking commenced.
- 4.12 The table below shows the value that the preventative measures following their implementation in July last year.



- 4.13 The prevention work undertaken by CAFS in respect of RTBs continues to protect valuable Council stock.

Identity Document Workshop

- 4.14 CAFS organised an Identity Document Workshop for the Housing Department.
- 4.15 The workshop, presented by an officer from the National Counter Terrorism Security Office, focused on increasing the frontline staff knowledge of identity documents and the potential for their abuse.
- 4.16 It included the chance for attendees to examine both counterfeit and genuine identity documents to gain a better understanding of the security features used (including Document Construction, Watermarks, Intaglio ink, Latent images, Ultra Violet, Optically Variable Inks, and Microprint).
- 4.17 The workshop was also specifically designed to enhance the ability of the delegates to spot a fake, and was undertaken using real UK passports and driving licences. Counterfeits and forgeries were also shown to the delegates, making it a very practical and hands-on experience.

5. FRAUD DETECTION ACTIVITIES

Corporate investigations

5.1 Corporate investigations are defined as fraud cases which relate to employee fraud or other third party fraud which does not fall within a specific CAFS service area such as Housing or Parking Fraud.

5.2 Since 1 April 2015 work in this area has included;

- The theft and misappropriation of funds by a member of staff of a CityWest Homes Tenants Management Organisation
- School procurement fraud regarding the failure of a school business manager to adhere to financial regulations.
- A member of staff who had her immigration status revoked, although she failed to inform the Council she no longer had any right to work in the UK (NFI referral).
- Disciplinary hearing for a member of staff who had falsely claimed housing benefits from the Council where she lived (Royal Borough of Kensington and Chelsea).
- Advisory reports to guide and assist departments in relation to anti-fraud procedures (Including preventative measures in respect of Accessible Transport).

Housing/Tenancy Fraud

5.3 The Government's decision to centralise the investigation of housing benefit fraud meant that on 1 March 2015 the fraud service's establishment reduced by eight posts. On this date housing benefit fraud managers and investigators all transferred their employment to the Department for Work and Pensions (DWP).

5.4 Such a large reduction in resource has had an initial impact upon the newly created Tri-borough CAFS, but since October 2015 two new investigators have been appointed to focus solely upon housing and tenancy fraud in the City of Westminster. They are further supported by a newly appointed Apprentice Intelligence Officer.

CityWest Homes (CWH) - Results

5.5 In the year to 31 March 2016 CAFS have successfully prosecuted two individuals for tenancy fraud, recovered five CWH properties; stopped nine Right to Buys, and stopped two falsely claimed 0% Equity Loans. At the year-end 61 cases remained under investigation of which eight are either subject to current court action or have been issued with a formal "Notice to Quit".

5.6 The table below table below shows recovery performance in relation to CWH.

Activity	Fraud proven 2015/16	Notional value 2015/16 (£'s)
Successful Prosecutions	2	-
Tenancy Fraud - CWH	5 (2 keys returned)	286,000
RTB	9	935,100
Refused Equity Loans	2	706,460
Total	18	1,927,560

5.7 Details of significant investigations are reported at Appendix 1, for information.

Landmark case

5.8 In August 2015 CAFS successfully prosecuted a man who illegally sub-let his CWH property in Cuthbert House, W2. But in this “ground breaking” case, CAFS also prosecuted the subtenant who had colluded with the man to defraud CWH.

5.9 The investigation revealed that the tenant had been living with his partner at an address in Altringham, which they jointly owned. He had been subletting the Cuthbert House address to a female and her partner.

5.10 In order to disguise that the property was being sublet the male tenant conspired with the female subtenant and pretended to be in a relationship.

5.11 On 3rd August at Southwark Crown Court the tenant was given a 10month prison sentence which has been suspended for one year and he has also been ordered to do 150hours unpaid work, the subtenant was given a 9month prison sentence which has been suspended for one year and she has also been ordered to do 140hours unpaid work.

Pair sentenced in 'landmark' social housing fraud case

Tuesday 4th August 2015 - 3:57pm

Share this story

A man who illegally sub-letted his property has pleaded guilty to conspiracy to fraud - alongside the woman who rented the apartment from him.



In what is believed to be a landmark case, Raymond Whittard and Sharon Smith were this week sentenced at Southwark Crown Court after Whittard illegally sublet his Westminster apartment to Smith and her boyfriend while living at an address in Altringham since at least 2010.

Smith received a nine-month suspended sentence plus 140 hours unpaid work while Whittard was given a 10-month suspended sentence and ordered to undertake 150 hours unpaid work. A confiscation hearing will be set for later this year.

This is believed to be the first time that a case has come to trial where the local authority has not only successfully prosecuted the council tenant but also their subtenant.

The court was told that Whittard claimed he was in a relationship with Smith in order to disguise the fact that the property was being sublet.

The initial investigation involved cooperation with the Met Police and Manchester Police. This resulted in joint raids on Whittard's home address in Cheshire and the sub-let property on the Hall Park Estate.

Cllr Daniel Astaire, Cabinet Member for Housing and Regeneration for Westminster City Council, said: "This landmark case just demonstrates the extraordinary lengths people will go to to commit fraud.

"Every property that is unlawfully sublet deprives a family of housing and makes the waiting list longer. Fraudsters of this nature put a tremendous strain on council resources at this time of reductions in council budgets and we are doing all we can to tackle this activity in Westminster."

- 5.12 Full details of the case are reported at Appendix 1 (case 2), for information

Private Registered Providers (PRP)

- 5.13 CAFS continue to provide investigative support to PRPs operating within the borough, and successfully recovered a property on behalf of Genesis Housing. The nomination rights to this property has been passed to the Council.

Residents parking investigations

- 5.14 CAFS investigate the misuse of resident parking permits and to date have successfully apprehended ten offenders. Positive outcomes include fraudulently obtained permits, height restricted vans and permits issued to commercial addresses.
- 5.15 During the financial year 2015/16 CAFS have identified 49 instances of permits being unlawfully obtained. In one of the more serious cases the offender was prosecuted under the Fraud Act 2006.
- 5.16 The offender had intentionally provided false information to the Council's Parking Department in order to obtain a residents permit for use in connection with his business in Tachbrook Street. In November 2015 at Westminster Magistrates Court he was convicted of nine offences contrary to Section 3 of the Fraud Act 2006.
- 5.17 Full details of the case are reported at Appendix 1 (case 8), for information

Disabled parking (Blue Badge) investigations

- 5.18 CAFS Officers continue to investigate the misuse of disabled parking badges and during the year under review have successfully apprehended 15 offenders who have had appropriate sanctions applied, including six successful prosecutions. A further four cases are lodged with the Council's solicitors awaiting a court date.
- 5.19 Details of significant investigations are reported at Appendix 1, for information.
- 5.20 Accessible Transport officers have also been provided with access to the NFI Application Checker in order to verify the information provided by new applicants, and thereby prevent fraudulent applications.

Pro-active Investigations - National Fraud Initiative (NFI)

- 5.21 The preliminary outputs from the NFI data matching exercise were received in February 2015 and these have been reviewed throughout 2015/16.

- 5.22 The results identified potential discrepancies between data held across the Council's systems and those of all Councils and other public sector participants nationally. Over 700 matches were processed, 133 benefit fraud cases identified and 12 Blue Badges cancelled.
- 5.23 The Audit Commission have valued savings to the public purse from the City of Westminster findings at £365,000.

6. FRAUD DETERRENCE

- 6.1 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 important that a robust enforcement response is available to pursue fraudsters and deter others.

Proceeds of Crime Act (POCA)

- 6.2 All types of fraudsters weigh up the potential gains against the risk of getting caught and the sanctions they may face. It is therefore important that Tri-borough CAFS need to make fraud as unattractive as they can. Not acting against fraud can undermine the reputation, integrity and professionalism of the organisation and perceptions about the quality of the services it provides leading to a loss in public confidence.
- 6.3 The use of powers under the Proceeds of Crime Act (POCA) is an essential tool used by prosecutors to deprive offenders of the proceeds of their criminal conduct, and to deter the commission of further offences.
- 6.4 On 24th August 2015 at Southwark Crown Court the Council laid evidence in order to seek to confiscate the profit which the tenant of a property in Stanfield House, NW8 had made as a result of his criminal behaviour, namely unlawful sub-letting.
- 6.5 The defendant was ordered to pay a total of £141,824 in respect of a social housing fraud he had committed plus £12,000 in respect of costs incurred by the Council as a result of its investigation and prosecution.
- 6.6 Full details of the case are reported at Appendix 1 (case 4), for information.

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Case Management Information

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	Case Description	Result/Outcome
1.	<p>BENEFIT FRAUD (Legacy Case) - Following an investigation into potential benefit fraudsters by the Sunday Times newspaper in 2011, information obtained was shared with Westminster City Council's fraud.</p> <p>This new intelligence corroborated the data already gathered by the Council and escalated the concerns about fraudulent behaviour, particularly issues in the Edgware Road area.</p> <p>Working in partnership with the police and colleagues from the Department for Work and Pensions a warrant was executed at an address in London, W2. Records showed that a housing benefit claimant had been falsely claiming benefit for three years, until it was suspended in 2012, and had been paid £169,086.39 in this period. He had made an application on the basis of low earnings.</p> <p>Investigators found he had a lavish lifestyle that included buying expensive Mercedes cars, paying for private education, paying off in cash each month thousands of pounds credit and store card as well as owning properties abroad. All of this was completely out of proportion to the declared income of around £90 per week from part-time earnings as a local estate agent..</p>	<p>On 21 December 2015 at Maidstone Crown Court the subject pleaded guilty to one count of fraud and was sentenced to two years imprisonment.</p> <p>As well as being sentenced to two years in custody, Proceeds of Crime Confiscation (POCA) proceedings are also being commenced to recover the £169,000 for the City Council for the housing benefit that was paid out. His Honour Judge Joy noted and commended the "very impressive work" of the joint Council, police and DWP investigation team.</p>

	Case Description	Result/Outcome
2.	<p>TENANCY FRAUD – Information was initially received in December 2013 alleging a possible subletting in respect of a tenant at Cuthbert House, W2.</p> <p>Enquiries indicated that, since at least 2010, the tenant had been living with his partner at an address in Altringham, which they jointly owned. Enquiries also indicated that since 2010 he had been subletting the Cuthbert House address to a female and her partner.</p> <p>In order to disguise that the property was being sublet it was also alleged that the tenant and the female subtenant had pretended to be in a relationship.</p> <p>The investigation involved cooperation with the Met Police and Manchester Police. This resulted in joint raids on the tenant's second home address in Manchester and at the Cuthbert House property. This established that the tenant was living in Manchester and that the female subtenant and her partner were living at Cuthbert House. All three were arrested and interviewed under caution.</p> <p>Hearings were held at Southwark Crown Court in April and June 2015 and resulted in both the tenant and the subtenant pleading guilty to offences. As a result of legal advice the case against the subtenant's partner was not pursued.</p>	<p>The offences were as follows:</p> <ul style="list-style-type: none"> • Count 1 Both pleaded guilty to a joint charge of conspiracy to defraud. • Count 2 the tenant pleaded guilty to a Section 1 Fraud Act 2006 offence. • Count 3 relates to offence by the subtenant under Fraud Act 2006 concerning her pretending to be the tenant's girlfriend. She pleaded guilty. • Count 4 the tenant pleaded guilty to a Section 1 Fraud Act 2006 offence in respect of his failure to notify WCC about his purchase of property in Altringham. • Count 5 tenant pleaded guilty to a further offence under the Fraud Act 2013. <p>On 3rd August 2015 they received the following sentences:</p> <ul style="list-style-type: none"> • The tenant was given a 10month prison sentence which has been suspended for one year and he has also been ordered to do 150hours unpaid work. • The subtenant was given a 9month prison sentence which has been suspended for one year and she has also been ordered to do 140hours unpaid work. <p>Notional value £54,000</p> <p><i>[It was estimated that the value of a vacant possession is £54,000 based upon the cost of maintaining a family in temporary accommodation.]</i></p>

	Case Description	Result/Outcome
3.	<p>TENANCY FRAUD – In January 2014 staff at Brunel Estate requested an investigation into one of their tenants. They were concerned that he was not living at his flat in Keyham House because of the difficulty in locating him at the address and his lack of response when attempts were made to contact him.</p> <p>Initial enquiries linked the tenant to another case which was investigating his partner, who was suspected of subletting her Westminster property in Blomfield Road W9.</p> <p>That investigation had established that she and her three children were living in a privately rented property in East Sussex for which she was claiming Housing Benefit. As a result civil proceedings were initiated to recover Blomfield Road which resulted in the Council being awarded outright possession in November 2014.</p> <p>The new investigation into the Keyman House tenant showed that he is the father of two of the children and indicated that he was living with her at the East Sussex address.</p>	<p>The evidence gathered, including financial results clearly linked him to east Sussex, and as a result civil proceedings were also initiated to recover the Keyham House property.</p> <p>The hearing took place on 19th June 2015 where the tenant failed to attend, and resulted in the Council being awarded possession of the property.</p> <p>The tenant appealed the decision claiming not to have been aware that the hearing was due to take place. This resulted in a further hearing in July 2015, which upheld the findings of the first hearing.</p> <p>The final outcome was;</p> <ul style="list-style-type: none"> • Council awarded possession of property • Money judgement order in respect of £4,975.70 rent arrears against the tenant. • Use and occupation charge of £19.67 per day which the Council can charge the tenant until the Council gains vacant possession of the Keyham House flat. • The tenant was ordered to pay the Council's legal fees of £3,780. <p>Notional value £54,000</p> <p><i>[It was estimated that the value of a vacant possession is £54,000 based upon the cost of maintaining a family in temporary accommodation.]</i></p>

<p>4.</p>	<p>PROCEEDS OF CRIME ACT (POCA) – An investigation commenced in January 2014 as a result of an anonymous allegation advising that an individual may have obtained a Council property while failing to declare that he owned a property in East Ham.</p> <p>Enquiries established that the City West Homes tenant had applied for housing in Westminster in 2006 and his application resulted in him eventually obtaining permanent accommodation in Stanfield House, Lilestone Estate, NW8.</p> <p>In addition, it was established that just prior to his application he had purchased a property in East Ham.</p> <p>Evidence showed that the tenant was living in the Westminster property while making a profit from subletting the property in East Ham.</p> <p>When confronted with the evidence the tenant voluntarily surrendered the keys to the Westminster property in June 2014, although due to the level of criminal intent the matter was passed to Legal Services and a successful prosecution occurred in March 2015.</p> <p>At the hearing the tenant pleaded guilty to three offences (one under the Theft Act 1968 and two under the Fraud Act 2006). He was sentenced to twelve months imprisonment (suspended for 18 months) and 150hours unpaid community work.</p>	<p>As a result of the successful prosecution the Council moved to implement confiscation under POCA.</p> <p>On 24th August 2015 at Southwark Crown Court the Council laid evidence in order to seek to confiscate the profit which the tenant had made as a result of his criminal behaviour and to seek costs incurred by the Council.</p> <p>The hearing was successful and resulted in the Court making a confiscation order in favour of Westminster City Council.</p> <p>The former Westminster tenant was ordered to pay a total of £141,824 in respect of a social housing fraud he had committed against Westminster City Council plus £12,000 in respect of costs incurred by the Council as a result of its investigation and prosecution.</p>
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<p>5.</p>	<p>BLUE BADGE – A referral was received from British Transport Police after they found a driver parked in a disabled parking bay in Bridge Place by Victoria station, apparently without the badge holder, his father, being present.</p> <p>The driver had previously been investigated by the Council for misusing his father’s disabled badges and was arrested in 2011. On that occasion the matter did not go to court due to inconsistencies with the arresting officers statements.</p> <p>The driver was interviewed under caution but the interview was suspended to allow him to obtain legal advice. He subsequently refused to seek legal advice and declined to be interviewed further. A prosecution file was prepared and passed to Legal Services.</p>	<p>The driver entered a not guilty plea at the initial hearing at Westminster Magistrates Court on 15 July 2015 and the matter was referred to City of London Magistrates Court for trial on 11 September 2015.</p> <p>On 11 September the trial was adjourned due to being heard late and the defendant failing to cooperate with the court appointed interpreter. The rescheduled trial occurred on 13 October 2015 at Westminster Magistrates Court. On this occasion he changed his plea, at the last minute, to guilty.</p> <p>He was fined £100 and ordered to pay a £20 victim surcharge and contribute £1,000 towards costs. He was criticised for failing to enter a guilty plea at an earlier opportunity and ordered to make payments of £30 per fortnight until the debt was cleared.</p> <p>Notional value £5,644</p> <p><i>[Estimated lost parking income for continued misuse of a Blue Badge.]</i></p>
<p>6.</p>	<p>BLUE BADGE FRAUD – Driver parked a blue Honda Jazz, in a Pay-to-Park Bay in Penfold Street and had on display a White Westminster Disabled Badge when the Badge Holder was not in the vehicle or travelling with the driver.</p> <p>When the investigating officer challenged the driver for an explanation he said he had parked there to do some shopping</p>	<p>The case was heard at Westminster Magistrates Court on the 2 March 2016, where the driver pleaded guilty by post.</p> <p>She was sentenced to a fine of £300, ordered to pay the Council costs £250, and to pay a victim surcharge of £30.</p> <p>Notional value £5,644</p>

	<p>for the Badge Holder, who was too frail to come with him. He admitted the Badge Holder was at home at the time, but thought he could use the Badge to go shopping for him.</p>	<p><i>[Estimated lost parking income for continued misuse of a Blue Badge.]</i></p>
	<p>Case Description</p>	<p>Result/Outcome</p>
<p>7.</p>	<p>EQUITY LOAN (£418,260) - A leaseholder of a flat in Mercer House, Ebury Bridge Estate applied for a 0% equity loan to assist with the purchase of a new property following the planned regeneration of the site and demolition of Mercer House. The application was referred to the fraud team to verify criteria fulfilment.</p> <p>Where the impact of regeneration directly affects owner-occupiers they are granted the option of acquiring a replacement new build property using a 0% equity loan to “top-up” their capital. Capital arising from the compulsory sale value of their property.</p> <p>However, in order to satisfy the qualifying criteria they must confirm that they have been a resident leaseholder living in the property as their main and principle home for 12 months prior to April 2014.</p> <p>In this instance the leaseholder expressed a preference for the new build equity loan which would have been added to the sale price valuation (£720,000), plus a statutory home loss payment (£49,000) to enable him to buy a new property valued at £1,138,260. The equity loan thereby equating to £418,260.</p>	<p>The subsequent investigation discovered that the leaseholder had not been a resident for the qualifying 12month period and was living elsewhere with a partner female. Furthermore, the investigation showed he had paying tenants living at the property during the same period.</p> <p>When challenged the subject withdrew their application.</p>

	Case Description	Result/Outcome
8.	<p>RESIDENTS PARKING FRAUD – Investigations began following an allegation that a person working in a men’s hair salon in Tachbrook Street had illegally obtained a resident parking permit and was using it to enable him to park his car in connection with his business.</p> <p>An initial investigation determined that a permit had been obtained for a Honda Station Wagon as a result of an application submitted from a Tachbrook Street address. However, Council records showed this property to be a commercial property. Observations by the investigating officer obtained evidence that the vehicle was regularly being parked in the vicinity of the hair salon and only parked there during the day.</p> <p>Financial records linked the registered keeper to an address in the London Borough of Hackney where he had been registered as an elector since October 2008. In addition, it showed he held a mortgage in respect of the property as well as various other credit accounts. It was also confirmed that has been liable for Council Tax at the address since October 2007.</p> <p>An unannounced visit was conducted to the hair salon which further confirmed it was solely a commercial address. The</p>	<p>The defendant was interviewed under caution in September 2015 and admitted to knowingly parking in Westminster with a resident parking permit displayed that he was not entitled to use. He accepted that what he was doing was ‘wrong’. A prosecution file was subsequently prepared.</p> <p>In November 2015 at Westminster Magistrates Court he was convicted of nine offences contrary to Section 3 of the Fraud Act 2006.</p> <p>He was fined £250 and ordered to pay a £25 Victim surcharge, contribute £150 towards costs and pay compensation of £288</p> <p>A Zone A resident parking permit has been cancelled that would have continued to have been used had his actions not been investigated.</p> <p>Notional value £8,000</p> <p><i>[Estimated lost parking revenue if fraud not detected.]</i></p>

	<p>registered keeper was also found to working at the business.</p> <p>When officers challenged him regarding the validity of his residents permit, he claimed that he had used a room in the shop to sleep, however no bed and no personal possessions were present.</p>	
	Case Description	Result/Outcome
<p>9.</p>	<p>BLUE BADGE FRAUD – During an inspection regime of Disabled Bays, the Blue Badge investigator witnessed a female park her Ford Fiesta in a bay, in Duchess Street, and displayed a Blue Badge.</p> <p>When the investigator challenged her to view the badge but she stated that the Badge belonged to her work colleague and proceeded to take the Investigator to her place of work.</p> <p>However, the vigilant investigator was concerned that the photo on the badge was of an older lady who would have been retired. Further inspection showed the date of birth of the badge holder was 1935.</p> <p>When presented with these facts the driver admitted that the badge was issued to her mother-in-law, who was not present. She went on to admit she had panicked and claimed the Badge was her colleague's in order not to get into trouble.</p>	<p>The case was heard at Westminster Magistrates Court on the 2 March 2016, where the driver pleaded guilty by post.</p> <p>She was sentenced to a fine of £500, ordered to pay the Council costs £414, and to pay a victim surcharge of £50.</p> <p>Notional value £5,644</p> <p><i>[Estimated lost parking income for continued misuse of a Blue Badge.]</i></p>

	Case Description	Result/Outcome
10.	<p>TENANCY FRAUD - Investigation commenced following an allegation that a flat in Dukes House, Vincent Street was being sublet and the secure tenant no longer resident.</p> <p>Credit searches failed to link the tenant to the flat or to any other address in the UK – other parties, including the tenant’s brother were shown as financially connected to the property.</p> <p>Several unannounced visits were conducted to the property with no reply until a final visit found a sole female to be resident. She stated that she was a friend of the tenant’s brother and that he had allowed her to stay in the flat after she had been made homeless.</p> <p>She stated that the tenant was in Sweden but had no contact details for him. She claimed to only be paying the bills and for food and was not paying any rent to occupy the flat.</p> <p>All attempts to locate the tenant in Sweden were unsuccessful and therefore the investigator instructed the Estate Office to issue a Notice to Quit and Notice Seeking Possession on the basis of abandonment by the tenant.</p> <p>The documents seemed to prompt the tenant to resurface and</p>	<p>In a further email he advised he was unable to attend as he claimed to be in hospital in Sweden, although no supporting evidence was supplied. Following various failed attempts to rearrange an interview, officers instructed solicitors to commence civil recovery action on the flat.</p> <p>The matter was heard at Central London County Court on 9 February 2016 and the tenant failed to attend to present any defence, although his brother attended and attempted to offer a defence on behalf of the tenant.</p> <p>The brother’s claims that his brother simply abandoned him, and was unable to return to the UK to prove this because he was in hospital. However, these claims were unsupported and no documentary evidence was attended.</p> <p>The judge awarded outright possession to CityWest Homes.</p> <p>Notional value £54,000</p> <p><i>[It was estimated that the value of a vacant possession is £54,000 based upon the cost of maintaining a family in temporary accommodation.]</i></p>

	<p>he contacted the Estate Office via email. Investigators replied and invited him to attend an interview. He failed to attend.</p>	
	<p>Case Description</p>	<p>Result/Outcome</p>
<p>11.</p>	<p>BLUE BADGE FRAUD - Investigation commenced following an anonymous fraud Hotline call concerning possible misuse of disabled badge. The anonymous caller advised that a Porsche Cayenne was regularly parking in a disabled bay at the bottom end of Great Portland Street. It was alleged that the vehicle was displaying a disabled badge but the person seen driving the vehicle appeared able bodied and was often loading boxes.</p> <p>Background checks determined that vehicle was the designated car linked to a WCC White Badge (Residential Disabled Badge) issued to a person living in Chancel Court, Dean Street W1. Records showed the keeper of the Porsche lived in Flower Lane, NW7.</p> <p>Ad hoc visits conducted to Great Portland Street failed to see evidence of the vehicle being parked with the disabled badge so the badge holder was visited at his home to discuss the badge usage and allegation.</p> <p>The badge holder stated that his badges (blue and white) were left in the Porsche and not retained by him when he was not a passenger in that vehicle. He was reminded of the conditions of use and agreed to take personal control of his</p>	<p>The keeper of the vehicle was interviewed under caution and confirmed that he had parked the car on 5 August 2015 and that the badge holder had not been present at the time. A prosecution file was prepared and passed to Legal Services.</p> <p>A guilty plea was entered at Westminster Magistrates Court on 2 March 2016 in respect to one charge of misusing a disabled person's parking badge on 05 August 2015 contrary to Section 117 (1) of the Road Traffic Regulations Act 1984.</p> <p>He was ordered to pay a fine £500, a £50 victim surcharge and the Council's full costs of £1,358.83.</p> <p>Notional value £5,644</p> <p><i>[Estimated lost parking income for continued misuse of a Blue Badge.]</i></p>

	<p>badges to prevent the possibility of them being misused.</p> <p>On 5 August 2015 was seen parked in a dedicated disabled parking bay in Great Portland Street with the badge on display. The rear of the vehicle contained various cases of lager that was being removed and loaded onto a sack-barrow. Investigators had established that the registered keeper owned a nearby café in Argyll Street and one of his staff was transferring the lager from the car to the café.</p> <p>Officers visited the Café and spoke to the keeper of the vehicle, cautioned him, arranged a formal interview and he surrendered the disabled badges. It was subsequently confirmed with the badge holder that he had been attempting to get his badges back, but the Porsche owner had refused to hand them back.</p>	
	Case Description	Result/Outcome
12.	<p>RESIDENTS PARKING PERMIT - Investigation into suspicions that a resident had obtained a second permit at her address by using her maiden name in addition to holding a permit in her married name.</p> <p>The vehicles all held personalised number plates, including one that used a mixture of numbers and letters to spell "BLONDE"</p> <p>Background checks verified only two adult occupiers, both with parking permits, and no evidence to suggest the third permit was for a sibling or adult child.</p>	<p>A warning letter was sent by recorded delivery and clear instruction added to the Parking Database to ensure one of the permits were cancelled, and that additional verification processes be undertaken upon renewal of the remaining permit.</p>

	<p>Decision taken to simply cancel permit issued with immediate effect and issue a warning letter about correct procedure as there was a facility for “off street” parking at the property and cars had been seen parked in the “off street” facility.</p>	
<p>13.</p>	<p>RESIDENTS PARKING PERMIT - A Smart City Coupe was seen parked Connaught Street W2 with the advertising livery of a local Iraqi restaurant which is located in Connaught Street. It was observed displaying both a City Council resident parking permit and a London Borough of Wandsworth permit for estate parking at Goulden House, SW11.</p> <p>An initial investigation determined that the Westminster permit had been issued on the basis of the registered keeper living in Connaught Street, however he was not registered as liable for Council Tax. But he was listed at a Westminster property in a different parking zone.</p> <p>Enquiries with Wandsworth determined that their permit was issued to someone else, but they held a letter on file from the registered keeper which was on the restaurant’s headed paper. It said the Wandsworth resident was the sole keeper and user of the Smart City Coupe.</p> <p>A second vehicle was also identified at the same Wandsworth address with a Westminster permit issued, and this too became subject to investigation on the basis of suspected non-residency by the permit holder.</p>	<p>Unable to verify the residency of the drivers both vehicles had their permits cancelled and blocked from renewal. Warning letters were sent c/o the restaurant.</p> <p>One driver has since tried to have their permit reinstated since cancellation, but they were blocked from doing so.</p> <p>Notional value £5,644</p> <p><i>[A notional saving of £29,400 has been applied to the case, which is based upon two vehicles regularly parking in F Zone during the year. The value does not take into account the free advertising the restaurant received during this period.]</i></p>

	<p>Various unsuccessful visits were conducted to addresses in Connaught Street and Lisson Street. Staff at the restaurant in Connaught Street stated that there was no residential accommodation attached to the restaurant and on each visit informed us that neither named drivers were present but would be at the restaurant later in the day. During each visit the liveried cars were parked in the vicinity of the restaurant.</p>	
	<p>Case Description</p>	<p>Result/Outcome</p>
<p>14.</p>	<p>RESIDENTS PARKING PERMIT - An investigation commenced following a random sample exercise review of the permit applications with private registrations.</p> <p>This application related to an Audi A4, and the supporting documentation to prove residency included photographs of HSBC bank statements, although it showed very limited transactions (no credits and low value purchases). Neither did it include the account holder address. Other documents included a vehicle insurance certificate but this was issued in the name of a non-resident.</p> <p>The only document referencing Orchardson House was a V5C vehicle registration document, but this was showing the owner to be a 17year old occupant. It only showed this owner because of a hand written transfer of sale.</p> <p>It was clear to the investigator that the bank statements and insurance were for a non-resident third party. Even the V5C vehicle registration was in this third party's name, but had been transferred into the name of the 17year old occupant via a handwritten note.</p>	<p>On the basis it was unlikely a 17-year-old student would be able to be insured to drive an Audi A4 it was suspected that the application for the permit for was actually for the benefit of the non-resident father.</p> <p>Consequently, it was arranged for the Permits Team to send out a letter requiring the occupant to supply his full driving license as evidence that he was able to drive the vehicle, together with proof of insurance in his name.</p> <p>A 14-day disregard was placed on A4 to allow time for the further evidence to be provided, but the permit was subsequently cancelled on 22 March 2016 following no further correspondence being received from the applicant.</p> <p>Notional value £6,750</p> <p><i>[A notional saving is based on lost parking revenue for a full year in a B Zone permit area, with a bay occupied every day through controlled hours where the hourly rate is £2.70.]</i></p>

	Case Description	Result/Outcome
15.	<p>RESIDENTS PARKING PERMIT - The fraud team received an allegation via the Fraud Hotline that the driver of Toyota Prius is not a Westminster resident but is parking on a daily basis during working hours with a B Zone permit.</p> <p>The vehicle was identified and investigators found that it was registered to a female who was working as a Senior Financial Analyst at Imperial College NHS Trust, based in Praed Street (covered by B Zone permits). The permit had been issued on the basis that she was living in Swanbourne House. It was noted that a different person was registered on Council Tax at the permit address and held a resident permit for a different vehicle.</p> <p>Investigations determined that the female applicant was actually living in the London Borough of Brent but had taken steps to try to disguise her links to this address. This included using variations of her full name and married name between Westminster, her employer and Brent.</p>	<p>Enquiries with Imperial College NHS Trust determined that the female ceased to be employed by them on 30 September 2015 and was moving to work abroad. Consequently, having tried to get her in for an interview, letters were returned from the Brent address and it was not in the public interest to pursue her further now she was believed to be abroad.</p> <p>The B Zone permit was cancelled and the case closed.</p> <p>Notional value £5,520</p>

	Case Description	Result/Outcome
16.	<p>RESIDENTS PARKING PERMIT - Referral from a vigilant Councillor who had observed a commercial van that appeared believed to be ineligible for a resident permit due to its height.</p> <p>The vehicle's keeper and permit holder was recorded as a resident Edgware Road, however there was no evidence of a residential property at the address quoted. Instead it was matched to a Middle Eastern restaurant.</p> <p>Investigations also identified a second vehicle, a Mercedes, registered at the same address.</p> <p>A review of the applications showed different contact phone numbers, email addresses and variations of surname and forename appeared to have been used to deceive the Council into issuing a second permit.</p> <p>Investigators visited the restaurant with a police officer from the Safer Transport Command where staff at the restaurant confirmed there was no residential accommodation on the premises. The permits were recovered but the registered keeper of the vehicles was not present.</p>	<p>Unable to get the registered keeper to attend an interview, the case was closed but both F Zone resident permits have been recovered.</p> <p>A warning letter has been sent to the individual's last known address in Camden.</p> <p>Notional value £17,600</p> <p><i>[A notional saving for two F Zone permits at £4.40 hourly rate, based upon a possible 8 hours per day for one year's misuse.]</i></p>

	<p>Attempts were made to get the individual to attend an interview under caution, however he was out of the country.</p>	
<p>17.</p>	<p>TENANCY FRAUD - Referral was received from Millbank TMO advising that they believed there was a matter of subletting relating to a flat on Wilkie House, Cureton Street. They had rarely seen the tenant and neighbours had advised the same. The TMO by chance saw the tenant on the estate and upon asking to conduct a tenancy visit they were granted access. The one bed property had no living room as it was set up as a second bedroom with locks on the doors.</p> <p>On this information investigator advised notices be served immediately seeking repossession. The subject was interviewed under caution during which she provided her account for the believed sublet advising it was her cousin and monies were not paid to her by them. The investigation showed that the account provided was not accurate and a further letter was sent to the tenant requesting additional information.</p>	<p>The tenant failed to respond to the investigator's request, instead she approached the TMO advising she wished to terminate her tenancy.</p> <p>Termination of Tenancy form completed with a proposed date for vacant possession on 21 March 2016.</p> <p>Notional value £62,000</p> <p><i>[In addition to the value of a vacant possession (£54,000) we estimate £8,000 to be the cost of a court possession and bailiff actions, which in this matter were not required due to CAFS actions.]</i></p>
<p>18.</p>	<p>TENANCY FRAUD – Staff at the Little Venice Estate Office requested an investigation be undertaken in respect of a tenant at Polesworth House, W2. Housing officers had received complaints from residents/neighbours that the property was occupied by people other than the tenant.</p> <p>Background enquiries gave a strong indication that the tenant</p>	<p>Possession action commenced in September 2014 with the first hearing scheduled for 13TH January 2015. However there were several adjournments and the hearing did not actually take place until 1st May 2015.</p> <p>At the May hearing the tenant agreed to the surrender the property. As a result the Court ordered that the City Council be awarded</p>

<p>was residing at another address in St John's Wood, and using powers under the Prevention of Social Housing Fraud Act identified financial record which proved the tenant owned this second address.</p> <p>Although the investigation did not reveal evidence of subletting, the weight of evidence amassed clearly showed the tenant was not using Polesworth House as his main and principle home.</p>	<p>possession of the two bedroom property on or before 1st July 2015.</p> <p>Notional value £54,000</p> <p><i>[It was estimated that the value of a vacant possession is £54,000 based upon the cost of maintaining a family in temporary accommodation.]</i></p>
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