



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	Monday 24 th July 2023
Classification:	For General Release
Title:	Counter Fraud 2022/23 – End of Year Report
Wards Affected:	All
Financial Summary:	No direct financial implications arise from this report.
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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 2022 to 31 March 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 fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2022 to 31 March 2023 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

- 4.2 CAFS remains a shared service providing the 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 2022 to 31 March 2023, CAFS identified 147 positive outcomes. The fraud identified has a notational value of £782,000, detailed in the following table. The table also compares the achievements against those for the previous two years.

Activity	Year-end 2020/21		Year-end 2021/22		Half-year 2022/23	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud	9	26,860	17	77,710	16	50,191
Right to Buy	24	31,100	2	7,000	5	19,000
Preventative Activity (incl.pro-active)	-	-	3	3,000	10	30,000
Prevention subtotal	33	57,960	22	87,710	31	99,191
Tenancy Fraud (Council and Registered Providers)	12	97,000	26	301,500	31	436,746
Insider fraud	1	2,000	3	37,000	1	2,500
High/Medium risk fraud (e.g. NNDR, Procurement, Duplicate invoices)	2	6,700	4	134,742	6	23,000
Low-risk fraud (e.g. Freedom Passes, Council Tax SPD)	1	2,077	5	3,788	23	41,292
Parking (B/Badge & Residents Permits)	58	68,546	79	130,222	46	63,730
Detection subtotal	74	176,323	117	607,252	107	567,268
Proceeds of Crime (POCA) + NFI recovery	3	47,762	4	23,013	6	55,064
Press Releases	-	-	-	-	2	2,750
Business Grant clawbacks	-	-	8	97,860	1	58,222
Deterrence subtotal	3	47,762	12	120,873	9	116,036
Total	110	282,045	151	815,835	147	782,495

**results from a special data matching exercise*

- 4.5 During the financial year 2022/2023, counter-fraud activity included investigating 451 cases, including 189 new referrals. Of these, 246 investigations were concluded during the year. A conclusion could mean 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 The table below shows this activity and details the fraud types that make up the closed cases and the active caseload from 1 April 2022 to 31 March 2023.

Activity	Cases	Fraud types	Closed	Live
Live cases as at 01/04/22	262	Tenancy & Housing cases	108	117
New referrals received	189	Insider fraud	3	0
Closed investigations (Positive outcomes 147)	246	Parking and Blue Badges	91	54
		Other service area	39	32
Live cases as at 31/03/23	205	POCA	5	2

4.7 The National Fraud Initiative has also generated a significant number of referrals from the 2022/23 data-matching exercise. To date, 775 matches have been reviewed. Of these matches, 684 have been closed, while 91 cases are under investigation. These are in addition to the cases detailed in the table above at 4.6.

5. Emerging fraud risk and trends

5.1 This section informs members about new fraud types, emerging trends, or risks.

5.2 Monitoring trends to mitigate fraud risks becomes even more important during economic downturns, such as the current issues impacting our cost of living. At this time, it is not uncommon to discover new fraud types that emerge from the shadows or to witness increases in existing risks.

5.3 Since 1 April 2022, CAFS has continued to monitor two significant fraud types. One is an ongoing risk that remains significant, and the other is a newly emerging threat.

1. Tenancy fraud
2. "Moonlighting"

5.4 Tenancy fraud is one such area that remains a constant fraud threat and, unfortunately, continues to increase due to the many drivers that persist.

- A need for more affordable housing in the private sector.
- Shrinking or stagnant incomes are linked to the cost of living.
- Easier short-term or holiday-letting using online platforms, feeding a shortage of longer-term tenancies.
- Continuous pressure on the affordable housing providers' budgets, staffing and skills.

5.4 CAFS has organised resources accordingly to target this ongoing risk, resulting in an increased number of detections leading to the successful recovery of 31 properties that can now be allocated to those in genuine need of assistance.

5.5 "Moonlighting" is a term used to describe working at a second job besides your regular employment. The phrase originated from an extra job being taken secretly and at night, hence "moonlighting".

- 5.6 Taking secondary employment is not a breach of the Code of Conduct, but all employees must declare any additional work outside of Westminster. Furthermore, it must not conflict with Westminster employment or the interests of Westminster City Council. This includes ensuring working hours allow for enough rest so officers can give 100% to their work for the Council.
- 5.7 However, it becomes a concern and potential theft of time and fraud when an employee knowingly collects two salaries by doing two jobs simultaneously. With their working hours overlapping, they can only dedicate half their time to each job but still collect full pay.
- 5.8 The pandemic created this risk when it normalised working from home and hybrid working. While this increases flexibility, it also creates new types of risks when during a cost-of-living crisis, a second income becomes very alluring.
- 5.9 Although there have been no instances in Westminster working across CAFS's counter-fraud networks, they have been alerted to many moonlighting instances at other Councils. For example, a solicitor was working for two different public sector organisations; A housing officer working simultaneously for a housing association; and an enforcement officer who was constantly leaving their job early (intentionally undercutting the contractual hours), so they could start their second job on time.
- 5.10 Through anti-fraud networks and contacts, CAFS is part of a London-wide data-matching exercise, collaborating with several large employment agencies to prevent and detect this emerging fraud risk.

6. Whistleblowing

- 6.1 The Council is committed to achieving the highest service standards, including honesty, openness, and accountability. Our stated position is one of zero tolerance of any malpractice or wrongdoing in the administration and delivery of services.
- 6.2 Staff are encouraged and expected to speak up about any concern they may have without fear of reprimand. Any raised concerns will be treated in the strictest confidence and appropriately investigated.
- 6.3 The Council publicises a clear Whistleblowing Policy to encourage those who work for the Council and have serious concerns about any aspect of the Council's work to come forward and report their concerns at the earliest opportunity; so that they can be appropriately investigated. The Council also has an independent, confidential reporting system called SAFECALL.
- 6.4 Since April 2022, the Corporate Anti-Fraud Service has received just one fraud-related protected disclosure raising concerns. Following an investigation, the matter was closed.
- 6.5 Although the number of whistleblowing claims remains low, the Council's policy and guidance continue to deter wrongdoing. It 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.

7. Anti-Fraud and Corruption Strategy

- 7.1 The Council's Anti-Fraud & Corruption Strategy 2020-23 sets out the Council's overall policy on fraud and corruption and states that if fraud, corruption or any misconduct directed against the Council is suspected, this should be reported immediately.
- 7.2 The Council's strategy aligns with the national strategy published by the Local Government Association (LGA) based on five key themes: GOVERN, ACKNOWLEDGE, PREVENT, PURSUE and PROTECT.
- 7.3 The Strategy is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds. It contains an action plan to provide management with a tool to ensure progress and transparency concerning counter-fraud activities.

i) GOVERN

A robust framework of procedures and policies.

- 7.4 A well-publicised anti-fraud and corruption strategy and framework of policies help build and develop a robust anti-fraud culture. This culture encourages staff and service users to participate in fraud prevention and report suspicions.
- 7.5 Both the Council's Internal Audit and CAFS review policies, procedures and governance arrangements across the Council's Services and promote a zero-tolerance culture regarding fraud, corruption and mismanagement.
- 7.6 Counter-fraud policies are presented to the Audit and Performance Committee for approval, and the Committee receives reports on internal and external fraud investigated by the Council. These reports are intended to brief members of the Committee in respect of work undertaken by CAFS.
- 7.7 Fraud awareness training is available to service areas where a need has been identified. CAFS offers bespoke training that helps employees connect the training messages to their daily responsibilities. It also helps staff identify suspicious activity and feel empowered to act against potential fraud.

ii) ACKNOWLEDGE

Committing support and resource to tackle fraud.

- 7.8 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. This is particularly important for responding to any new and emerging risks.

- 7.9 All CAFS investigators are members of the Government Counter Fraud Profession (GCFP), which provides a professional structure with common standards and competencies for those in counter-fraud roles.
- 7.10 CAFS has also recruited two apprentices undertaking the CIPFA Level Four Counter Fraud Apprenticeship. The two-year apprenticeship combines CIPFA learning activities with on-the-job training, including knowledge and skills development-based tasks to ensure competence and progression.

Demonstrating that it has a robust anti-fraud response.

- 7.11 Counter-fraud activity is reported to the Audit and Performance Committee twice yearly, detailing performance and action in line with the Anti-Fraud and Corruption Strategy.
- 7.12 CAFS report on investigation outcomes, including successful prosecutions, prevention activity, actions that deter fraud, or no further action where assurance is obtained that there is no case to answer.
- 7.13 A fraud internet page also informs staff of emerging fraud risks, encourages fraud reporting, maintains awareness and includes the various channels for reporting fraud, including the fraud hotline and an online reporting form.

iii) PREVENT

- 7.14 The "Prevent" element of the strategy focuses on detection and prevention activities. It highlights the importance of enhancing fraud controls and processes. CAFS continues to provide anti-fraud advice and support across the organisation, including the Council's partners and contractors.
- 7.15 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.
- 7.16 In addition to the specialist investigative role, CAFS provides advice and support across the organisation regarding fraud prevention and detection, including the Council's partners and contractors.

Corporate investigations

- 7.17 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.
- 7.18 Since 1 April 2022, corporate investigation work has included:

Business Grant	During the pandemic and the issuing of Business Grants, Westminster City Council received contact from a solicitor acting for a client who claimed their landlord had taken the grant they were eligible for. The subsequent investigation found that the landlord of the premises in Strutton Ground had believed they were entitled to the grant and made a claim. However, they had rented the property to a food outlet. Therefore the food outlet was the eligible business grant recipient whose catering business had been directly affected by the pandemic and lockdown. A lengthy investigation proved that the landlord had wrongfully received £58,222 in grants due to the food outlet, who have since received their grant funds. The landlord was interviewed, and while criminal action was not proven, the debt is now being recovered.
Electoral Registration	Electoral Services received two online applications via the Government Gateway for postal voting registration at the same address. Vigilant Electoral Services officers had concerns over the legitimacy of the identity proofs supplied as part of the registration process and referred the applications to CAFS for investigation. A review of the identity documents revealed fake UK photo driving licences. Both 'driving licences' had identical serial numbers and the same facial image and signatures. The photograph of the licence holder is the same one as seen used on various known counterfeit blue badges that have been in circulation. Neither individual is known at the address in Green Street, W1, and it was suspected that the purpose for the attempted false registration was to enable identities to be created linked to residential addresses to facilitate external fraud. There had been no loss to the Council due to the fraudulent attempts to register false identities on the Electoral Roll. A National Anti-Fraud Network alert was issued to warn other local authorities of the fraudulent identification documents being used.
Staff investigation	An employee applied for an intermediate rental property based on living in the borough. The service area was concerned that the application's supporting evidence showed a Hammersmith and Fulham address. Enquiries by CAFS provided assurances that the applicant lived in Westminster, although these enquiries did reveal a new discrepancy. However, when interviewed, the employee explained the anomaly satisfactorily and closed the case.
Personal Budgets	The Financial Assessment Team, responsible for assessing social care and support financing, referred a file to CAFS. They had become suspicious that the service user's partner had failed to declare assets and income that would have been used to assess his care home costs. CAFS enquiries showed that the service user had part ownership of five properties which he had not previously declared. These properties were commercial units which formed part of a pension investment scheme. A re-assessment identified an overpayment of £34,000 which is currently being recovered. It was not in the public interest to pursue further action due to the client's ill health.
Assurance Activity	A member of the public raised concerns regarding parking issues in and around the Mayfair area. They suggested that private clubs and bars were coercing Civil Enforcement Officers to ignore the illegal parking of their customers, and bribery was mooted. CAFS found no evidence to substantiate the allegations. Still, CAFS advised the contractors to regularly swap and change the patrol routes of their officers as a control to mitigate such risks. Following this action, no further issues have been raised.
Mandate Fraud	A mandate fraudster who attempted to divert payments using a fake email and invoices was thwarted by vigilant finance officers. The scammer sent three fake invoices, but the bank account provided for payment did not correspond to a genuine bill from the same company. CAFS traced the bank account used by the scammer, which revealed it was a personal account, possibly a mule account commonly established by fraudsters to receive illicit funds. CAFS reported the matter to the National Anti-Fraud Network and Action Fraud (to get the account shut down).

Housing/Tenancy Fraud

- 7.19 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, and right-to-buy verification.
- 7.20 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.
- 7.21 Between 1 April 2022 to 31 March 2023, CAFS successfully recovered 31 properties which were being misused. These have now been allocated or made available to those in genuine need of housing support within the community. Additionally, CAFS intervened to prevent 16 false housing applications and stopped five suspicious Right to Buy applications. Also, two fraudsters were successfully prosecuted.
- 7.22 Full details of all successfully recovered properties are detailed in the table below.

Landlord	Location	Postcode	Size bedrooms	Reason for recovery	Outcome
WCC	Missenden House	NW8	1	non-residence	Court possession
WCC	Lambourne House	NW8	1	non-residence	Court possession
WCC	Severn Avenue	W10	1	non-residence	Court possession
WCC	Oversley House	W2	1	Subletting	Surrendered keys
Notting Hill Genesis	Hereford Road	W2	1	non-residence	Surrendered keys
WCC	York Street Chambers	W1H	1	non-residence	Surrendered keys
WCC	Brewers Court	W2	1	Subletting	Surrendered keys
WCC	Probyn House	SW1P	2	False succession	Surrendered keys
WCC	Lapford Close	W9	1	False succession	Court possession
Temp Accom	Norfolk Court	RM6	2	Subletting	Surrendered keys
WCC	Keyham House	W2	1	non-residence	Surrendered keys
WCC	Hide Tower	SW1P	Studio	non-residence	Court possession
WCC	Princethorpe House	W2	Studio	Subletting	Surrendered keys
WCC	Kemp House	W1F	1	Subletting	Court possession
WCC	Ainsworth House	W10	1	non-residence	Court possession
WCC	Sherborne House	SW1V	1	non-residence	Court possession
WCC	Hughenden House	NW8	1	non-residence	Court possession
WCC	Missenden House	NW8	1	non-residence	Court possession
NHG	Amberley Road,	W9	2	Subletting	Surrendered keys
Peabody	Wellington Buildings	SW1W	1	Subletting	Surrendered keys
Peabody	Wellington Buildings	SW1W	1	Subletting	Surrendered keys
WCC	St George's Square	SW1V	1	Subletting	Surrendered keys
WCC	Lawrence House	SW1P	1	non-residence	Surrendered keys
WCC	Lambourne House	NW8	1	non-residence	Court possession
WCC	Walden House	SW1W	3	non-residence	Surrendered keys
WCC	Boldero Place	NW8	1	non-residence	Surrendered keys
WCC	Willow House	W10	1	non-residence	Surrendered keys
WCC	Earl House	NW1	1	non-residence	Surrendered keys
WCC	Reynolds House	SW1P	1	non-residence	Surrendered keys
WCC	Wilkins House	SW1V	2	False succession	Surrendered keys
WCC	Casterbridge	W11	1	non-residence	Court possession

7.23 Of the 31 recoveries, 19 involved the return of keys and vacant possession without the need for lengthy and costly legal action and ensuring properties could be promptly reallocated.

7.24 Cases of note are reported in Appendix 1.

Parking investigations

7.25 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.

7.26 For 1 April 2022 to 31 March 2023, CAFS successfully prosecuted 12 offenders for misusing disabled parking badges. In addition, CAFS has also cautioned offenders in two separate incidents, seized 25 badges, and issued penalty charge notices to lesser offenders.

7.27 CAFS also investigate the misuse of residents' parking permits and any suspicious applications. For the period, CAFS intervened and cancelled seven permits where CAFS gathered evidence that individuals had fraudulently obtained the permit even though they did not live in Westminster.

7.28 Cases of note are reported in Appendix 1.

iv) PURSUE

7.29 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.

Sanctions

7.30 The Council will always seek the strongest possible sanction against any individual or organisation that defrauds or attempt to defraud the Authority. Since April 2022, CAFS has successfully prosecuted 14 offenders, including two for tenancy fraud, and formally cautioned two individuals.

Proceeds of Crime Act 2002 (POCA)

7.31 Prompt and efficient recovery of losses is essential in the fight against fraud, and the Proceeds of Crime Act is a crucial part of the Council's counter-fraud strategy.

7.32 For the period 1 April 2022 to 31 March 2023, CAFS received the following.

- £15,000 awarded at the City of London Magistrates Court following a successful prosecution. A Council tenant surrendered their three-

bedroom property in return for a £15,000 cash incentive. Investigations discovered the tenant had fraudulently obtained the incentive because she failed to declare property ownership.

- £6,871 awarded at the City of London Magistrates Court, where the Council were awarded an unlawful profit order following the successful prosecution for unlawfully subletting a Council property.
- £14,182 in civil recoveries linked to falsely obtained resident's permits and lost revenue.
- £19,011 was identified through the National Fraud Initiative data-matching exercise as fraud or error.

7.33 Cases of note are reported in Appendix 1.

Collaborating across departmental, geographical and sectoral boundaries

7.34 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.

7.35 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.

7.36 CAFS's active membership of the National Anti-Fraud Network ensures we receive national fraud alerts circulated by CAFS to the appropriate departments across the organisation. CAFS also offers support and advice to ensure proper action is taken in response to the warnings and to protect the Council from fraud.

National Fraud Initiative

7.37 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.

7.38 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.

7.39 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, 775 matches have been reviewed. Of these matches, 684 have been

closed, while 91 cases are under investigation. Early outcomes are detailed below.

Matches	Fraud/Error	Amounts
Student Loans	1	£14,631
Waiting Lists	1	£4,380
	2	£19,011

iv) PROTECT

Protecting the Authority and its' residents from fraud

- 7.40 This element of the Strategy covers counter-fraud activity to protect public funds, saving the Council from fraud and protecting itself from future scams. It also includes reducing the harm that fraud can cause in the community.
- 7.41 In support of this, CAFS continue to provide an investigative capability for key stakeholders across the City of Westminster. This is no more important than working with local housing associations to protect their stock from fraudulent misuse, ensuring affordable housing is available to those in the community who need it.
- 7.42 During the year, CAFS recovered three misused properties on behalf of local providers. Two units for Peabody, one unit for Notting Hill Genesis. In both instances, the nomination rights of these properties were allocated to the Council so that they could be assigned to families in genuine need of support.

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

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	Case Description
<p>1.</p>	<p>TENANCY FRAUD PROSECUTION: The tenant of a one-bedroom flat in Princethorpe House, Woodchester Square, W2, approached the Council to claim that the apartment was overcrowded with a partner and a two-year-old child. However, at the same time, a National Fraud Initiative data match suggested the tenant owned a property in Wallington, south London.</p> <p>Enquiries via HM Land Registry confirmed that the tenant purchased a house in Wallington in June 2019. This was before the tenant had succeeded the tenancy in Princethorpe House following her mother’s death. The investigation revealed that to buy the Wallington address, the tenant had obtained financial support from Homes England: a government initiative to help first-time buyers. Documentation and witness statements were duly obtained from Homes England.</p> <p>The investigation then established that all utilities and financial information for the tenant was registered in Wallington. At the same time, the Westminster property was sublet to a gentleman between August 2019 and December 2021 and then to another from January 2022 to March 2022. Given the evidence gathered, the tenant was asked to attend an interview under caution. She refused and instead handed back the Princethorpe House keys.</p> <p>Although the property had been recovered, the now former tenant was summoned to attend Court, and in November 2022, at the City of London Magistrates Court, pleaded guilty to three charges.</p> <p>At sentencing, the former tenant was ordered to repay the unlawful profit of £6,871 (the sublet rental between August 2019 and March 2022), together with the Council’s total costs of £4,582 and a £90 victim surcharge. The magistrates said they had “carefully considered immediate custody”, but they considered the family situation and instructed a two-year Community Order, including 200 hours of unpaid work. They ordered repayment of £1,000 within the next 28 days and £300 per month after that.</p>
<p>2.</p>	<p>SINGLE PERSON DISCOUNT (SPD): Following a Right to Buy application for a property in Frith House, CAFS undertook due diligence checks and found no significant discrepancies. However, these checks established that the tenant received Council Tax Single Person Discount (SPD) even though several adults lived at the address. As a result, the SPD was removed immediately, a revised liability was calculated, and the tenant was invoiced for the increased bill.</p>

<p>3.</p>	<p>BLUE BADGE: In December 2022, Investigators found a black Porsche 911 parked in a designated disabled bay on Vere Street, W1. The vehicle displayed a disabled badge issued by Dudley Metropolitan Borough Council. Enquiries revealed that the badge had been issued to an elderly lady, but Dudley MBC had cancelled it following her death.</p> <p>A male and female subsequently returned to the vehicle. An investigation officer questioned them, and the driver identified himself. He confirmed that the badge belonged to his mother, who is now deceased. He was cautioned, and the disabled badge was confiscated.</p> <p>The driver was charged and prosecuted under the Road Traffic Regulations Act 1984. He failed to attend the hearing at the City of London Magistrates Court. The magistrates found him guilty in his absence. He was fined £440 and ordered to pay £775 costs and a £44 victim surcharge. The Court ordered repayment within 28 days of the hearing.</p>
<p>4.</p>	<p>CASH INCENTIVE SCHEME PROSECUTION: The former tenant of a flat in Cuthbert House, W2, had surrendered the 3-bedroom tenancy under the Council's Cash Incentive Scheme and received £15,000. Under the terms of this scheme, a tenant would receive an incentive payment to downsize or leave social housing.</p> <p>However, a data matching referral from the National Fraud Initiative confirmed that the ex-tenant owned property in Greenford, and a check of HM Land Registry showed she bought this property before she moved to Cuthbert House. Therefore, she would not have been eligible for the tenancy or the subsequent Cash Incentive. In particular, the application she had completed for the Cash Incentive Scheme clearly asked if she had any property ownership, and she said "no".</p> <p>The ex-tenant was invited to attend an interview under caution, where she explained that she only owned a small share of the property in Greenford with her ex-husband, who was responsible for the mortgage. She admitted she lived at her Greenford address with her children. After the interview, she provided a handwritten, unofficial document stating that she only owned a five per cent share.</p> <p>The evidence showed that the ex-tenant had made a false statement and obtained a cash incentive fraudulently, so a summons was issued. The case was heard at the City of London Magistrates Court, where the ex-tenant entered a "guilty" plea to a Fraud Act offence.</p> <p>At sentencing, the Magistrate commented: <i>"It was most unfortunate you are here in the Court today; you are an educated lady. Public funds are there to assist genuine people, and her actions have consequences on other people."</i> The ex-tenant was given credit for her early guilty plea and her previous good character, and her sentence was reduced to 20 weeks imprisonment and suspended for two years. Costs were awarded at £800, and she was ordered to pay £400 per month under a compensation order for the £15,000.00 cash incentive she received.</p>

<p>5.</p>	<p>SUBLETTING: CAFS received a tip-off from a member of the public suggesting the tenant of a flat in Kemp House, Berwick Street, had been living in Barcelona for the past two years. The informant further alleged that the property had been sub-let to a single man in 2021.</p> <p>Initial enquiries found no alternative UK address for the tenant, and all Council records remained unchanged, including records such as the electoral register and Council Tax Support. The investigator then tried early morning visits to the property, but these were unsuccessful. On the final visit, a possible telephone number for the tenant was called. It was not answered, but the investigator noted an international dialling tone.</p> <p>Using powers under the Prevention of Social Housing Fraud Act legislation, the investigator obtained the tenant's bank statements, and these revealed regular monthly payments from an unknown individual, £480 per month. The tenant received welfare benefits and should have no other income. Therefore, it was suspected that these payments were being received from a sub-tenant. Checks on this possible subtenant linked them solely to the Kemp House address with a timeline that correlated with the information supplied by the member of the public.</p> <p>The tenant was contacted and invited to an interview under caution but had initially asked for more time to seek legal advice. He then emailed saying he could not fly to London due to Covid and clinical depression.</p> <p>He called the investigator, who asked him to relinquish the tenancy due to his continued absence from the UK. He said he had planned to tell the Council about going to Spain, but the last 2 ½ years had just passed, and he cited his depression. He denied sub-letting the flat. He stated that he loaned a friend some money five years ago for plastic surgery, and the £480 monthly payments were loan repayments. He refused to relinquish his tenancy.</p> <p>Notices to quit were served on the property, and the matter was heard at County Court, where the Judge awarded outright possession to the Council. The tenant did not attend.</p>
<p>6.</p>	<p>TENANCY SUCCESSION: A succession referral was received from colleagues in Housing who were concerned as to the validity of an application. The tenant of a three-bedroom property on Queens Park Estate had died, and her sister had applied to succeed the tenancy along with her partner and three children.</p> <p>Initial checks of the information provided by the sister were verified, and there were no concerns over the legitimacy of her claim or eligibility. However, the additional applicants were traced to properties outside Westminster at addresses in Brent, Harrow, and Southwark. Confirmation was obtained from these neighbouring Councils that the individuals had ties to their borough, either currently or during the eligibility period. This suggested that additional applicants had been added to support the claim to the three-bedroom property.</p> <p>Due to her eligibility, the sister's discretionary succession was approved. Still, it did not include the household members on the application, and she was ordered to downsize to an alternative one-bedroom property.</p>

<p>7.</p>	<p>TENANCY FRAUD: An anonymous tip-off suggested a flat in Keyham House, Westbourne Park Road, was being sub-let. The caller claimed the property had multiple occupants and that they had not seen the known tenant for ages.</p> <p>Initial checks of Council systems showed no anomalies. The tenant was listed as the sole tenant and in receipt of welfare benefits. However, a maintenance note on file referred to an unknown individual allowing access to the flat for repairs. Then, further external data was interrogated, suggesting the tenant may be linked to an alternative address in Sheffield. Furthermore, the investigator found several unknown persons had financial links to the property.</p> <p>Early morning and evening visits to the address were unsuccessful. Eventually, an appointment was agreed upon to meet with the tenant. During the meeting, the seriousness of the issue was explained to the tenant, and he was warned that unlawful subletting was a criminal offence.</p> <p>Shortly after the meeting, the tenant contacted the investigating officer and agreed to relinquish his property and hand back the keys, which he did in September 2022.</p>
<p>8.</p>	<p>BLUE BADGE: Investigators found a silver Nissan Micra parked in a designated disabled bay on Mayfair Place, W1. The vehicle displayed a disabled badge issued by the London Borough of Barnet. The badge showed an expiry date of August 2022. However, when officers checked the badge with central computer records, the expiry date was showing to be August 2021. A closer examination revealed a piece of card placed over the expiry date to change the date.</p> <p>The driver subsequently returned and placed some shopping in the vehicle's boot. He was asked to provide identification, which he did, and allowed the investigator to inspect the badge. The driver explained that the badge belonged to his wife, who was "behind John Lewis". As the investigator suspected the badge was being misused, he cautioned the driver. Then he asked him about his reason for parking and the badge.</p> <p>The driver confirmed that he parked the vehicle and displayed the badge. He explained that he had parked at the location to get treatment for arthritis from a nearby specialist in Wigmore Street. The investigator then pointed out the alteration to the badge and asked if he had anything to say about it. In response, the driver stated that it was obvious that the badge had been altered but claimed it was not him or his wife who had tampered with it. He would not say who changed the badge. The badge was confiscated.</p> <p>The driver was subsequently charged and prosecuted under the fraud act 2006 for fraud by false representation and possession of articles for use in fraud. He pleaded guilty to both offences at the City of London Magistrates Court. He was fined £600 and ordered to pay £85 costs and a £35 victim surcharge. The Court ordered repayment within 14 days of the hearing.</p>

<p>9.</p>	<p>SUBLETTING (Peabody): CAFS work closely to support local housing associations to assist where potential tenancy fraud is affecting the community.</p> <p>Peabody asked for assistance with a tenancy in Wellington Buildings, Ebury Bridge Road, where they suspected their tenant was subletting through the short-term letting company Airbnb. They had found an alternative address in France and a tenancy agreement held by a former subtenant. They wanted CAFS help to recover the address.</p> <p>CAFS intelligence checks uncovered the full Airbnb advert, one of which was for the Wellington Buildings address, which had the tenant's full name and work logo displayed on it.</p> <p>The link to France provided another line of enquiry and overseas trips. The investigators found a regular travel pattern, and when they approached airlines for booking details, it revealed several alternative addresses. None of the bookings mentioned Wellington Buildings.</p> <p>When his bank accounts were obtained, using powers under the Prevention of Social Housing Fraud Act, it showed several individuals paying him monthly rent payments over a long period, which further suggested he was subletting the address.</p> <p>Having amassed a lot of evidence, the tenant was asked to attend an interview under caution, which he did. But, he gave a "no comment" interview throughout. However, he contacted the investigator the following day, confirming that he would like to relinquish his tenancy. He returned the keys to the property shortly afterwards.</p>
<p>10.</p>	<p>TENANCY SUCCESSION: CAFS received a succession application to review regarding property on the Lydford Estate, W9, where the tenant had passed away, and the tenant's nephew had applied to succeed the tenancy. 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 in the tenancy. Sometimes, a qualifying family member can "succeed" if residing with the late tenant for 12 months before death.</p> <p>Routine checks completed on the application showed that the nephew did not meet the requirements for succession. The deceased never declared him an occupant of the property, and an interrogation of Council records and data confirmed she was the sole tenant.</p> <p>Financial checks also indicated that he resided elsewhere during the eligibility period, and Council records were checked and confirmed this. An investigation report surmised the findings, and the succession was refused.</p> <p>There was an appeal, but the Judge found it in the Council's favour. The nephew was given six weeks to vacate, and possession was granted after completing the six weeks.</p>

<p>11.</p>	<p>ABANDONMENT: A Housing Officer raised a concern with CAFS because they had not seen the tenant of a flat in Missenden House, Jerome Crescent, for some time. They were concerned the address may have been abandoned.</p> <p>All records linked the tenant to the address; however, when the investigator undertook an early morning visit, the tenant's son was at home, but not the tenant. He said that his mother was in Spain recuperating after an operation. Because of this information, the investigator checked with UK Border Agency, revealing that the tenant had left the UK in 2020 and had not returned.</p> <p>The investigator presented his findings to housing colleagues, who issued notices on the grounds of abandonment, and District Judge Greenridge heard the case.</p> <p>The Judge was satisfied that, based on the evidence, it could not be said that the defendant had a serious or arguable case. There was no material before the Court as to why the defendant had not returned to the property and no evidence that she intended to return.</p> <p>The Judge was satisfied that the tenant had lost the security of tenure by not having occupied the property as her main or principal home and awarded the Council possession.</p>
<p>12.</p>	<p>PERSONAL BUDGETS: Allegation received from Adult Social Care (ASC) that the service user may have failed to declare assets in the form of properties for financial assessments for residential care.</p> <p>Enquiries with HM Land Registry identified five additional properties which had not previously been declared as part of the financial assessment but were held in trust for the service user as part of pension planning arrangements. Further enquiries conducted with HMRC showed that the service user had no other income beyond what had been declared.</p> <p>Due to the service user being an elderly person in residential care and his partner having been involved in the application process, it was decided that it was not in the public interest to pursue criminal action for the undeclared property. The matter was returned to ASC for a new financial assessment with all relevant details.</p> <p>This resulted in the service user becoming liable for full care contributions, with an additional £34,000 being billed. ASC has advised that this will be recovered via charges on the properties if it is not correctly paid.</p>

<p>13.</p>	<p>DECANT & SUBLETTING: One of the Council's Reallocation Officers referred to CAFS their concerns that a recent applicant for rehousing under the regeneration scheme was either not resident or subletting.</p> <p>Initial checks suggested that other persons were linked to the property, including an unknown male on the electoral register. Then, when bank statements for the tenant were obtained, this man was shown to be making regular monthly payments to the tenant. Finally, officers conducted an early morning visit to the address, and he answered the door and confirmed he was living at the address. He explained that the tenant lived with her husband in the USA but refused to provide a witness statement.</p> <p>The tenant was invited to an interview under caution but telephoned the investigator to say she could not attend as she was looking after her parents abroad. However, before a second invite could be sent, the tenant terminated her tenancy, returning the property to the Council and nullifying the decant request.</p>
<p>14.</p>	<p>SUCCESSION: CAFS received a referral regarding the succession applications from the grandson of a tenant who had passed away. There were concerns that he had never lived at the tenant's Ainsworth House, Kilburn Lane, address.</p> <p>Initial enquiries showed most of his records, including mobile phone, finance, and mail order companies, linking him to an address in W9 with just one credit card linked to Ainsworth House. In contrast, his grandmother had been liable for Council Tax at Ainsworth House since November 1992. She received a Single Person Discount throughout. The same applied to her welfare benefit, where she had always claimed to live alone. Finally, the investigator contacted Adult Social Care, whose records confirmed that the grandmother lived alone. While there were references to her grandson, these were to verify that he regularly visits to get her shopping and that he lives 10 mins away and has a key to the property.</p> <p>Repossession commenced, and the matter was heard at County Court, where the Judge reviewed the evidence compiled by CAFS and awarded the Council outright possession.</p>
<p>15.</p>	<p>SUBLETTING (Notting Hill Genesis): Notting Hill Genesis (NHG) received a tip-off suggesting that their tenant in Amberley Road was subletting to multiple occupants while living elsewhere. They asked CAFS to assist them with the investigation.</p> <p>The subsequent investigation quickly identified a possible sub-tenant at the address who claimed he was looking after the property for the tenant and said they both lived there together. However, immigration checks suggested that the tenant had left the UK in 2018 and had not returned. Additionally, when the tenant's bank statements were obtained, they revealed regular monthly payments from the individual officers found at the property, each narrating "rent".</p> <p>The tenant was invited in for an interview under caution. The day before the interview, the investigator received confirmation from NHG that the tenant had contacted them and would be relinquishing his tenancy. Shortly afterwards, the subtenant returned the keys to their offices.</p>

