


<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>AUDIT PENSIONS AND STANDARDS COMMITTEE</b></p> <p align="center"><b>23 July 2019</b></p>	
<p><b>CORPORATE ANTI-FRAUD SERVICE END OF YEAR REPORT – 1 APRIL 2018 to 31 MARCH 2019</b></p>	
<p><b>Report of the Strategic Director of Finance and Governance</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Decision</b> <b>Key Decision: No</b></p>	
<p><b>Consultation: N/A</b></p>	
<p><b>Wards Affected: All</b></p>	
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## **1. EXECUTIVE SUMMARY**

- 1.1 This report provides an account of fraud related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2018 to 31 March 2019.
- 1.2 CAFS remains a shared service covering three councils and continues to reap several benefits, including the sharing of skills and expertise, a rolling "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 the London Borough of Hammersmith & Fulham with a full, professional counter fraud and investigation service for fraud attempted or committed against the Council.

- 1.4 For the period 1 April 2018 to 31 March 2019, CAFS identified 146 positive outcomes, including 39 recovered tenancies and stopped successions. Fraud identified has a notational value of over £782,000 and is detailed in the following table.

Activity	2017/18		2018/19	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing Fraud (including Applications, assignments & successions)	25	38,600	18	126,800
Right to Buy	52	107,780	16	29,800
Advisory Reports (pro-active)	7	10,500	6	14,000
<b>Prevention subtotal</b>	<b>84</b>	<b>156,880</b>	<b>40</b>	<b>170,600</b>
Tenancy Fraud (Council and Registered Providers)	26	186,950	37	432,000
Internal Staff	2	1,500	5	20,500
High/Medium risk fraud (e.g. NNDR, Procurement, Blue Badge)	7	745,632	35	32,450
Low-risk fraud (e.g. Freedom passes, Council Tax SPD)	11	2,090	21	23,689
<b>Detection subtotal</b>	<b>46</b>	<b>936,172</b>	<b>98</b>	<b>508,639</b>
Proceeds of Crime (POCA)	7	78,907	4	33,581
Prosecution	1	3,000	2	58,300
Press releases and publicity	4	30,794	2	11,000
<b>Deterrence subtotal</b>	<b>12</b>	<b>112,701</b>	<b>8</b>	<b>102,881</b>
<b>Total</b>	<b>142</b>	<b>1,205,753</b>	<b>146</b>	<b>782,120</b>

- 1.5 Between 1 April 2018 to 31 March 2019, CAFS investigated 325 cases, including 182 new referrals, and concluded 205 investigations. Conclusion could mean support of a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and stops it continuing, an action that deters fraud, or no further action where there is no case to answer.

- 1.6 The table below shows this activity and details the fraud types that make up the closed cases and live cases as at the start of the current financial year.

Activity	Cases	Fraud types	Closed	Live
Live cases as at 01/04/18	143	Tenancy & Housing cases	135	88
New referrals received	182	Internal Staff	7	3
Closed investigations	205	High/Medium risk fraud	40	14
Positive outcomes	146	Low-risk fraud	17	7
Live cases as at 01/04/19	120	POCA	6	8

## 2. ANTI-FRAUD AND CORRUPTION STRATEGY

- 2.1 The Council's Anti-Fraud & Corruption Strategy is based on three key themes: Acknowledge, Prevent and Pursue, and is aligned with the National Strategy: *Fighting Fraud and Corruption Locally*.
- 2.2 The strategy places emphasis on the following anti-fraud activities:
- i. **Acknowledge:** recognising and understanding fraud risks and committing support and resource for tackling fraud to maintain a robust anti-fraud response.
  - ii. **Prevent:** preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.
  - iii. **Pursue:** punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive law enforcement response.

## 3. ACKNOWLEDGE, PREVENT, PURSUE

### (i) ACKNOWLEDGE

#### **Committing support and resource to tackle fraud**

- 3.1 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, and through the resourcing and support for CAFS, the council demonstrates it is committed to tackling fraud.
- 3.2 As part of this commitment of professionalism, the head of service is working closely with the Cabinet Office to extend membership of the Government Counter Fraud Profession to local authorities.
- 3.3 Having received ministerial consent in January 2019 work is underway to map local authority standards to those of central government, and we expect the London Borough of Hammersmith & Fulham will be one of the first councils to qualify to join the profession by the end of this financial year.
- 3.4 In support of this CAFS has also become a founder member of a new Counter Fraud Apprenticeship Scheme in partnership with the Institute for Apprenticeships and Technical Education, HMRC, Cabinet Office and a selection of other local authorities.
- 3.5 The new counter fraud investigator apprenticeships will provide opportunities for individuals to forge a career path in counter fraud, with a practical approach

to training that offers professional accreditation. The scheme is reaching its final sign-off stage, and it is expected to roll out in the autumn.

### **Maintain a robust anti-fraud response**

3.6 There are three critical elements of the operational plan that underpins and drives the Anti-Fraud and Corruption Strategy, and CAFS refer to this as the *Fraud Resilience Triangle*. The triangle is formed of:

1. Fraud Risk Register (*Acknowledge*)
2. Pro-Active Work Programme (*Prevent*)
3. Reactive Referrals (*Pursue*)

3.7 Responding solely with reactive referrals often fails to provide the levels of coverage required to provide a robust anti-fraud response. Combining proactive work plans with responsive capability increases the chances of fraud detection.

3.8 Details of actions, including engagement with services to review their fraud risks and anti-fraud controls, are reported in *Appendix 1*.

### **(ii) PREVENT**

#### **Whistleblowing**

3.7 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern.

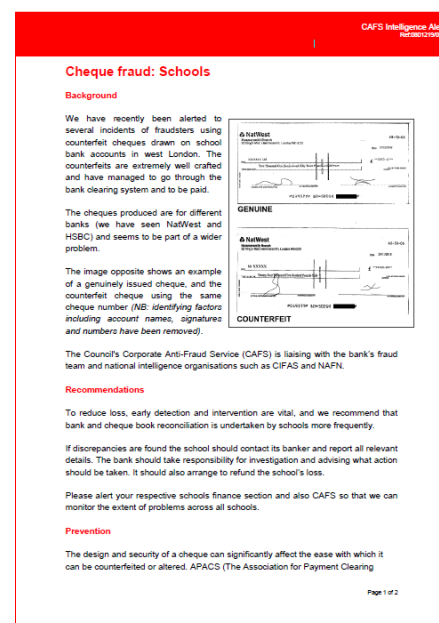
3.8 Since April 2018 CAFS received three referrals via the whistleblowing process. All have been investigated, although two were not deemed protected disclosures. A third remains under investigation:

<b>Allegation</b>		<b>Outcome</b>	<b>Case status</b>
i.	Codes of conduct breaches	The preliminary investigation failed to reveal any corroborating evidence, and therefore, no further action was required.	Closed
ii.	Misconduct and fraud	An investigation identified incomplete and inaccurate time recording by an agency staff member. Appropriate action was taken.	Closed
iii	Data protection	An allegation regarding data protection breaches. Investigation remains on-going.	Ongoing

## Corporate investigations

- 3.9 Corporate investigations are fraud cases which relate to employee fraud or more complex third-party fraud investigations.
- 3.10 CAFS continue to work closely with Council's People and talent department to ensure that matters are investigated promptly so that appropriate disciplinary action can be taken, as well as ensuring that civil or criminal proceedings are also pursued where sufficient evidence has been gathered
- 3.11 Since 1 April 2018 work in this area has included:

- Investigation of an agency employee who had submitted false timesheet recordings.
- Investigation of a maintenance employee who had failed to declare his directorship in a construction company
- Fraud alert to schools highlighting the risks of counterfeit cheques and cheque theft.
- Two employees detected misusing disabled blue badges to park their vehicles and avoid paying parking tariffs.
- Significant Proceeds of Crime investigations that remain on-going.



## Housing/Tenancy Fraud

- 3.12 CAFS provides an investigative service to all aspects of housing, including the verification applications for housing support, as well as requests for the succession or assignment of tenancies. CAFS also investigate allegations of subletting or other forms of tenancy breaches as well as the checking of all right to buys.
- 3.13 For the period 1 April 2018 to 31 March 2019, CAFS had successfully prevented two successions/assignments recovering properties in each instance. CAFS also recovered 39 properties which were being misused, and these have now been allocated to those in genuine need of support.
- 3.14 Properties recovered include two four-bedroom and nine three-bedrooms which are in high demand by families needing support and assistance. Full details of successful investigation activity regarding social housing are detailed in the table below.

Landlord	Location	Postcode	Size (bedrooms)	Reason for recovery	Outcome
Council	Chesilton Road	SW6	3	Subletting	key returned
Council	Westway	W12	3	non-residency	key returned
Council	Poynter House	W11	1	Subletting	key returned
Council	Flora Gardens	W6	1	Subletting	key returned
Council	Poynter House	W11	2	Subletting	key returned
SBHG	Gledstanes Road	W14	2	Subletting	key returned
Council	Barton House	SW6	3	non-residency	possession hearing
Council	Donnelly Court	SW6	1	non-residency	possession hearing
Council	Margaret Hse	W6	Studio	non-residency	key returned
Council	Mortimer House	W14	3	non-residency	key returned
Council	Sulgrave Gds	W6	2	non-residency	succession stopped
Council	Benbow Court	W6	1	Subletting	key returned
Council	Aspen Gardens	W6	2	Subletting	key returned
Council	Poynter House	W11	1	Subletting	key returned
Council	Ivatt Place	W14	1	non-residency	key returned
Council	Lakeside Rd	W14	2	Subletting	key returned
Council	Calcott Court	W14	2	non-residency	key returned
Council	Cortayne Road	SW6	3	Subletting	key returned
Council	Nightingale Hse	W12	2	Subletting	key returned
Council	Ethel Rankin Hse	SW6	1	non-residency	key returned
Council	Lickey House	W14	1	Subletting	possession hearing
Council	Bush Court	W12	1	non-residency	key returned
Council	Sullivan Court	SW6	1	non-residency	possession hearing
Council	William Banfield Hse	SW6	Studio	Subletting	key returned
NHHG	Oaklands Grove	W12	1	Subletting	key returned
Council	Creighton House	W12	1	non-residency	assignment stopped
Council	Boswell Court	W14	2	non-residency	key returned
Council	Lawrence Close	W12	3	non-residency	key returned
Council	Elgar Court	W14	1	Subletting	possession hearing
NHHG	The Curve	W12	3	non-residency	possession hearing
Council	Tadmor Street	W12	4	Subletting	key returned
NHHG	Perham Road	W14	1	Subletting	possession hearing
Council	St Peter's Road	W6	4	Subletting	key returned
Council	Coningham Rd	W12	3	non-residency	possession hearing
Council	Sullivan Ct	SW6	1	non-residency	possession hearing
Council	Mitchell House	W12	3	Subletting	key returned
Council	Riverside Gdns	W6	1	Subletting	key returned
Council	Fairburn House	W14	2	Subletting	possession hearing
Council	Stowe Road	W12	1	Subletting	key returned

3.15 Cases of note are detailed at *Appendix 1*.

### **Right to Buy (RTB)**

3.16 CAFS continue to apply an enhanced fraud prevention process to all new RTB applications, including anti-money laundering questionnaires as well as financial and residential verification.

3.17 For the period 1 April 2018 to 31 March 2019, CAFS have successfully prevented 16 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.

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

### (iii) PURSUE

#### Deterrence

- 3.19 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.

#### Proceeds of Crime Act 2002 (POCA)

- 3.20 Prompt and efficient recovery of losses is an essential component in the fight against fraud, and the Proceeds of Crime Act is a crucial part of the Council's counter fraud strategy.
- 3.21 For the period 1 April 2018 to 31 March 2019, CAFS were awarded compensation of £33,581 of which £15,930 has been recovered. Currently, three cases are lodged with Legal Services.
- 3.22 The Act remains a powerful deterrent and is deployed by the Council where appropriate to recover fraud losses and deter potential fraudsters. The use of POCA by CAFS makes fraudsters aware that every effort will be made by the Council to recoup losses and confiscate assets gained as a result of criminal activity.

#### Press releases

- 3.23 To deter fraud, it is important that the Council publicise the successful outcomes of their investigations. CAFS record a positive result each time a story is published by the national or local media because positive publicity about the successful detection, prosecution or prevention of fraud may help to deter others.



#### 4. LOCAL GOVERNMENT TRANSPARENCY CODE

- 4.1 The Local Government Transparency Code sets out key principles for local authorities in creating greater transparency through the publication of public data.
- 4.2 The Government believes that in principle, all data held and managed by local authorities should be made available to local people. The Government believes that local people are interested in how their authority tackles fraud and have introduced a mandatory requirement in respect of fraud data.
- 4.3 The table below shows current activity in respect of the required data for the financial year ending 31 March 2019.

Information	17/18	18/19
Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers	101	78
Total number (absolute and full-time equivalent) of employees undertaking investigations and prosecutions of fraud	6.5	7.5
Total number (absolute and full-time equivalent) of professionally accredited counter fraud specialists	4.5	6.5
Total amount spent by the authority on the investigation and prosecution of fraud, and	£445,600	£511,900
Total number of fraud cases investigated	174	325

#### 5. FORWARD PLANNING

- 5.1 CAFS anti-fraud work plan for 2019/20 is aligned with the Council's anti-fraud strategy and aims to enhance the Council's overall fraud resilience. It is a risk-based programme of work that supports the assurance framework by focusing counter-fraud activity in areas of high fraud risks and on newly emerging fraud risks.
- 5.2 By introducing pro-active work with reactive capability improves fraud prevention, helps to identify fraud risks, and increases the chances of fraud detection.
- 5.3 The anti-fraud work plan for 2019/20 is briefly described in the table below.



<b>Risk ref</b>	<b>Fraud risk</b>	<b>Current score</b>	<b>Activity timetable</b>
G2	<b>Money laundering</b> – Using Council business or services to exchange money or assets that were obtained criminally for cash or other assets that are 'clean'.	12	Q1 – 3
G4	<b>Bribery and Corruption</b> – Review of risk across the Council including a risk survey by the head of service – quarterly gifts and hospitality reviews	12	Q1 – 4
G9	<b>Mandate Fraud and Fake Invoices</b> - A third party tries to change a direct debit, standing order or bank transfer mandate, by purporting to be an organisation that the Council uses.	12	Q2 - 4
S2	<b>Human Resources</b> – Assurance work regarding whistleblowing – enhanced process.	12	Q2 – 3
S6	<b>Schools</b> – Recruitment, procurement and control of assets (including cash)	12	Q3 – 4
S7	<b>Income collection frauds (CT, NNDR and Parking)</b> - Fraudulent refunds following payment with stolen credit cards or cheques	12	Q2 – 3
S9	<b>Welfare benefit</b> - Risk review of processing claims	12	Q1 - 3
S16	<b>Direct Payments/Personal Budgets (Adult social care)</b> - Review of payment process	9	Q2 – 3
S17	<b>Local Support Payments (LSP)</b> - Payments for emergency or crisis support to those in receipt of benefit.	9	Q1 – 2
S19	<b>Family &amp; Childrens Services</b> - Section 17 of the Children Act 1989 & foster care and adoption.	9	Q3 – 4
S21	<b>Libraries</b> – review of fraud risks	9	Q3 - 4

## Anti-Fraud Activity 1 April 2018 to 31 March 2019

Source	Fraud Review	Details	Risk
Service Review	<p><b>DISABLED CHILDREN AND PREPARATION FOR ADULTHOOD TEAM: Asset controls</b></p> <p>Following a referral regarding the theft of a pre-paid Oyster Card, CAFS undertook a service review to identify and test existing controls for any weaknesses.</p>	<p><b>Investigation:</b> The incident was picked up through existing reconciliation controls, which identified a card that was registered to the Council not added to the control sheet – control sheets record all new cards as they are received and form part of the control environment when combined with online access to TFL records.</p> <p>The subsequent investigation identified usage of the H&amp;F card along with evidence it had been sent to Hammersmith Town Hall and received in the ordinary course of business. However, there was no audit trail of receipt and delivery (items are sent by TFL in the unregistered post), and given the amounts involved, it was not in the public interest to pursue further travel details or request TFL CCTV.</p> <p><b>Controls:</b> A review of the existing controls found them to be satisfactory. The reconciliation process had identified the anomaly and therefore minimised the loss. Additional controls were also identified that included dual control, staff signing for receipt and physical controls keeping the assets secure.</p> <p>One recommendation was made to only blank order cards and to only add funds upon receipt. This recommendation was accepted.</p> <p><b>Conclusion:</b> Our review concluded that controls were satisfactory and that this theft was an isolated incident.</p>	<p><b>Satisfactory asset controls in place</b></p> <p><b>Fraud risk unchanged</b></p> <p>←→</p>

Anti-Fraud Activity 1 April 2018 to 31 March 2019

<p>Pro-active</p>	<p><b>LAND REGISTRY ACCOUNT, WHOLE COUNCIL: System access and user control</b></p> <p>The Council's Land Registry account was overseen by Legal Services and held a series of sub-accounts which various services added users to.</p> <p>This is a web-based application, meaning that leavers would not automatically be removed via IT or through the normal HR leavers process.</p> <p>There is a risk that former employees with access could spend Council funds. Furthermore, this is a Government system, and the Council is contractually obliged to monitor user access to ensure the system's integrity regularly.</p> <p>A proactive exercise was undertaken to review the Council's administration of system access.</p> <p>Our review included</p> <ul style="list-style-type: none"> <li>• Users Groups</li> <li>• Business Users</li> <li>• General Users</li> </ul>	<p><b>Methodology:</b> Our process for auditing involved checking all current users against HR records to identify any leavers who still had access or any users with non-Council contact details.</p> <p>This included business administrators, general users, and the Responsible Person role. Recent billing was also inspected for suspicious usage.</p> <p><b>Findings:</b></p> <p>A total of six users with business administrator access were identified as still with live accounts that should have been closed. This included one officer who resigned whilst under investigation for possible fraud.</p> <p>Three general users were leavers. Many users were attached to the wrong subaccount and invoicing the incorrect service budget.</p> <p>The Responsible Person had left their role in Legal Services and was no longer the appropriate officer to fulfil that function.</p> <p><b>Conclusion:</b> Although a series of leavers were found to have access which should have been terminated, none of these logins appeared to have been misused. No suspect users were identified, and all incorrect users were deleted.</p> <p>The CAFS fraud manager has now adopted the role of Responsible Person for the Council.</p>	<p>Revised controls introduced</p> <p>Reduced ↓</p>
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## Anti-Fraud Activity 1 April 2018 to 31 March 2019

Ref	Noteworthy cases
1.	<p><b>TENANCY FRAUD</b> - CAFS received a report from a Housing Officer, alleging that the tenant of a flat in Elgar Court, Blythe Road, was being illegally sublet. A complaint was received from a former subtenant who said they had evidence of rental payments as proof.</p> <p>CAFS officers arranged to meet the subtenant where a statement was taken and copies of financial records obtained. The information showed that the Elgar Court address had been sublet, and an investigation commenced.</p> <p>Investigators attended the property in Elgar Court and found two subtenants sleeping at the flat. The tenant was not present at the time. Photographs were taken. A further unannounced visit was made in the afternoon but when investigators returned they found that the flat was transformed and rearranged. The two subtenants had vacated, and it was evident that the tenant had gone to great lengths to conceal what was present during the early morning visit.</p> <p>The tenant's bank accounts were interrogated, and these showed further payments that contained such references as "Rent" or "Flat fees" and identified numerous subtenants. Because of this, the tenant was interviewed but denied the allegations. However, the tenant did reveal that his ex-wife had lived with him for almost three years whilst he was claiming a single person discount for Council Tax.</p> <p>Regardless of the tenant's denial, the investigation continued, and further evidence was obtained, including advertisements on the letting website Gumtree as well as the identification of more former subtenants who were willing to testify. Once this evidence was amassed, the case was pursued by Legal Services, and in June 2018, the evidence was presented at the County Court. The judge found in favour of the Council and LBHF were awarded a possession order for the flat.</p> <p>In addition to the repossession, the tenant was also charged with criminal offences and pleaded not guilty. Following a seven-day trial, which included video-link testimonies from several former oversea subtenants, the jury found the tenant guilty of subletting his flat as well as failing to declare his right circumstances regarding his claim for a Single Person Discount.</p> <p>In January 2019 at Isleworth Crown Court the tenant was sentenced to 18months imprisonment, suspended for 18 months.</p> <p>In summing up, the judge stated that the offences were well planned and sophisticated with a high degree of dishonesty. He also praised the Council investigators for a thorough investigation.</p>

Anti-Fraud Activity 1 April 2018 to 31 March 2019

<p>2.</p>	<p><b>TENANCY FRAUD</b> – A referral suggested that the tenant of a 1-bedroom flat in Lickey House had vacated the property, and initial checks seemed to corroborate this.</p> <p>Credit searches revealed the tenant was linked to the Bristol area, and further enquiries revealed that they had purchased property there and was possibly living there now. However, when investigators took a closer look at local records, they discovered the property was being let through a managing agent and that our tenant had emigrated and was now living in the USA.</p> <p>Visits to the Lickey House address found unknown individuals in residency which suggested subletting, but they would not co-operate. Unable to speak to the tenant a Notice to Quit was served and repossession commenced.</p> <p>The tenant failed to communicate with the Council, but at the court hearing, they sent correspondence claiming that the person in residence at Lickey House was their partner, although the evidence amassed by CAFS was able to show this was implausible and the judge was not swayed by the letter. The Council were award possession forthwith, and the vacant property was recovered in November 2018.</p>
<p>3.</p>	<p><b>TENANCY FRAUD</b> - Allegation received by CAFS that the tenant of a property in Tadmor Street, W12 had moved out to live with her daughter and allowed her son and daughter-in-law to take over the flat.</p> <p>Investigators visited the property and found the tenant's son and his family in residence. He allowed officers to inspect the rooms, and there was no evidence that his mother (the tenant) lived at the property, there were no belongings, and only one bedroom was made up for sleeping. Further checks linked the tenant to a property in leafy Orpington, and further enquiries revealed that this was her main and principal home.</p> <p>Officers recommended that a Notice to Quit be served, and invited the tenant for an interview. However, the tenant offered to return the four-bedroom property with immediate effect. The tenant did not contest the possession order and a highly sought after the four-bedroom property was returned to the Council for allocation to a family in genuine need of support.</p>

Anti-Fraud Activity 1 April 2018 to 31 March 2019

<p>4.</p>	<p><b>NO RECOURSE TO PUBLIC FUNDS (fraud loss recovery)</b> - In early 2016, police were searching a property in Tunis Road, Shepherd's Bush, for an elderly woman missing for 15 years when they found human remains at the scene.</p> <p>The post-mortem failed to prove a cause of death, but the deceased's husband was interviewed by police in connection with preventing a lawful burial. He was not arrested nor charged, and the case remained unresolved when he passed away in December 2017.</p> <p>However, during the police enquiries, contact was made with CAFS to provide intelligence from Council records. It was during these enquiries that CAFS discovered the husband had been financially supported by the Council between 2002 and 2012 on the basis that he was an asylum seeker with no recourse to public funds.</p> <p>No recourse to public funds (NRPF) is a condition imposed on someone due to their immigration status. Section 115 Immigration and Asylum Act 1999 states that a person will have 'no recourse to public funds' if they are 'subject to immigration control'. Council records didn't align with the documentation found during the original police search, which included British passports and overseas bank accounts.</p> <p>A subsequent investigation by CAFS found that the husband had used false information, including an alias created by swapping his names around, to claim financial support under the NRPF scheme. Between 2002 and 2012 he had received a total of £10,332. However, the evidence gathered by CAFS, including forensic handwriting analysis showed he was already a British citizen when he first approached the Council in 2002.</p> <p>Action has commenced on the estate to make full repayment of the wrongfully claimed NRPF payments.</p>
<p>5.</p>	<p><b>TENANCY FRAUD</b> – A request by the tenant of a Poynter House property raised suspicion when she requested her tenancy be assigned to her brother.</p> <p>A subsequent investigation revealed that the tenant was not using the Poynter House address as her main and principal home, and was privately rented accommodation with her husband in Chiswick. The assignment was refused, and repossession action commenced, however, the tenant agreed to relinquish the keys forthwith realising the weight of evidence against her that had been gathered during the investigation.</p>

Anti-Fraud Activity 1 April 2018 to 31 March 2019

<p>6.</p>	<p><b>EMPLOYEE</b> - A member of the public alerted Council Investigators to the potential misuse of a Disabled Parking Permit (Blue Badge) by a Council member of staff.</p> <p>The allegations described a female parking her vehicle in the vicinity of Bagley Lane Depot, displaying a Blue Badge to avoid parking concessions, and then going to the Depot where she was employed as a Civil Enforcement Officer.</p> <p>Evidence gathered through observations, including officer's observations, photographic images and CCTV, showed the Council employee parking her vehicle alone in Cresford Road, displaying the Blue Badge and exiting the car to attend work.</p> <p>During the investigation, she was confronted by officers and initially gave a false name and denied she was a Council employee. But when faced with the evidence admitted her guilt, explaining that her identification was still with her uniform, which was in her locker at the Bagleys Lane site.</p> <p>On 22<sup>nd</sup> May 2019, the defendant pleaded guilty and was sentenced to a fine of £200, ordered to pay costs £495 and a victim surcharge £30.</p>
<p>7.</p>	<p><b>TENANCY FRAUD</b> – Housing raised concerns when they found it extremely difficult to agree on maintenance appointments with the tenant of a first floor flat in Cortayne Road, SW6. On two separate occasions, officers were forced to liaise with unknown third parties to gain access to the property. The case was referred to CAFS.</p> <p>Having interrogated the Council records, the investigating officer discovered a possible link to Northamptonshire Borough Council and a housing application dating back to 2003. Further enquiries established that the tenant was known to them by another name; she had remarried.</p> <p>Searching records under this new name, the investigator was able to trace the tenant to an alternative address in Wandsworth and found the tenant living there. When confronted, she signed a vacation notice enabling the Council to recover this three-bedroom property and allocate it to a family in genuine need of assistance from the waiting list.</p>

## Anti-Fraud Activity 1 April 2018 to 31 March 2019

8.	<p><b>TENANCY FRAUD</b> - Housing officers had received information that the family living in a four-bedroom property in St Peter's Road was not in the UK but were living in Cairo, Egypt.</p> <p>The matter was passed to CAFS, and a review of the housing files showed little interaction between the named tenant (the mother of the household) and the housing department. This was not deemed too strange, although when officers conducted an unannounced visit to the address, they found the husband at home and he said that his wife was at work and the children at school.</p> <p>As the investigators were shown around the address, they saw no children's belongings and no signs of the mother's residency, and this further aroused their suspicions.</p> <p>Upon returning to the office, investigators checked travel details for the family, and this revealed that the mother and children were all out of the country and in Cairo, Egypt. It also showed she had spent the majority of her time, since 2015, living there.</p> <p>Given the above, the tenant was invited to attend an interview under caution, and during this meeting, she admitted she was not using the address as her sole and principal home. She agreed to relinquish the tenancy, and the valuable four-bedroom property was recovered forthwith for allocation to a family in genuine need of support and assistance.</p>
9.	<p><b>TENANCY FRAUD</b> – A referral from the area housing office suggested that the tenant of a flat in Nightingale House, Du Cane Road, W12 was no longer resident, but that he had allowed other family members to live there.</p> <p>Initial enquiries by CAFS found the tenant linked to a property in the Essex area. These links included HM Land Registry, financial services, employment and education.</p> <p>An unannounced early morning visit was carried out simultaneously at the Nightingale House address and the Essex property. The tenant was found in residence in Essex, and when challenged about the Council address she confessed to no longer living there. At the same time, the visit to the Nightingale House address found a relative of the tenant who admitted living alone in the flat.</p> <p>The tenant signed a Notice to Vacate, and the keys to this two-bedroom property were handed back into the area office a few days later.</p>



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10.	<p><b>HOUSING FRAUD</b> – A referral was made to CAFS when Housing officers were unable to complete background checks on a homeless applicant due to a lack of data being available.</p> <p>The application for housing support and assistance was from a 62year old female was living with her sister in Swanbank Court. However, the only information provided to verify her needs was a passport and letter from the sister saying that She allows the applicant to stay with her for three days a week. The rest of the time, she is in a friend’s car or park bench.</p> <p>Initial enquiries discovered that the applicant had been living in America until the summer of 2018 when she first came to England. There was no trace of her in this country before this date.</p> <p>To clarify her address history and to understand her actual housing needs, she was invited to attend an interview but failed the appointment. The investigator followed this up with a telephone call, which was answered by a female with an American accent. She advised that the subject was in the hospital and "not to expect to hear from her for a while".</p> <p>No further contact has been made since and the application has been withdrawn and closed.</p>
11.	<p><b>TENANCY FRAUD</b> – Housing received contact from the tenant that suggested he was no longer in the country, and that he may not be returning.</p> <p>A visit was conducted to the flat in Munster Road where officers found two subtenants. The first opened the door and cooperated with officers, but the second was only discovered when the investigator found a man hiding in a cupboard. The first subtenant allowed officers into the property, and while inspecting the rooms, the investigator saw a cupboard door ajar and initially thought it contained just a hanging T-shirt, but when the T-shirt moved the investigator realised it was a person.</p> <p>Both subtenants eventually cooperated with officers and provided a written statement. They said they had been staying with the tenant but that he stole £3,000 from them and that since then the tenant has not been seen, nor has he returned to the flat. The second tenant did not speak perfect English, but through the first subtenant he explained he was scared of authority which was why he hid when officers called at the address, he conferred the first subtenants account of events.</p> <p>A notice to quit was served, and when this expired, unchallenged, the vacant property was recovered forthwith.</p>

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12.	<p><b>TENANCY FRAUD</b> – A case referred to CAFS suggested that a one-bedroom flat in Hartopp Point, Dawes Road, SW6 was sublet.</p> <p>Investigators visited the address unannounced and found two subtenants in occupation. One was sleeping in the bedroom while the other was using the living room that had been converted into a bedroom.</p> <p>Investigation officers were busy questioning the subtenants when the tenant arrived. At first, he claimed he was living at the property, but once challenged as to where he slept, and he conceded that he was not resident. He went on to explain that he kept his possessions in a cupboard and was living at his mother's address. He agreed to relinquish the tenancy and not to dispute any repossession action.</p>
13.	<p><b>TENANCY FRAUD (Succession)</b> – CAFS were asked to review the application of succession on a flat Ethel Rankin Court, Landridge Road, SW6.</p> <p>A succession occurs when a council tenant dies, and the tenant's husband or wife, partner or a family member apply to pass the tenancy into their name. The person who gets the tenancy is called the successor. To fulfil the criteria for succession, the successor must have been living at the property as their only or main home for at least 12 months before the tenant died. A succession of a tenancy can happen only once.</p> <p>The son of the tenant applied to succeed although there was minimal evidence of him living at the property, and while his application also included his ascertain that he had been caring for the tenant before his death, there was information to suggest this care was being provided overseas.</p> <p>CAFS investigation officer met with the applicant to interview to clarify the circumstances. Through questioning, it transpired that the applicant had taken his father to America to care for him. The applicant has a family in America, and he was able to provide the care needed. His father became too ill to travel and never returned to the UK. The son came back to put his late father's affairs in order and was ill-advised by friends to apply for the flat.</p> <p>He withdrew the application in the presence of the investigator, and the keys were returned to this one-bedroom property without the need for lengthy legal action.</p>

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- 14. TENANCY FRAUD and POCA (Shepherds Bush Housing Group)** - A case was initially referred by Shepherd's Bush Housing Group (SBHG) for investigation when concerns were raised as to the whereabouts of their female tenant who resided in St Hilda's Close, W14.
- The investigation undertaken by CAFS failed to trace the legitimate female tenant but found a male suspect who claimed to be the tenant's partner. This claim to the tenancy was weak, but the investigation then discovered that he didn't even live at the address but had been subletting it to a couple. He had told them that he was the rightful landlord and had been charging them £1,200 PCM.
- Evidence, including a tenancy agreement signed by the suspect and his bank statements, showing rental payments from the couple, was gathered and he was charged under the Fraud Act 2006, and a restraint order enforced to freeze all his assets.
- Ahead of his first court appearance the suspect then telephoned SBHG to say he was innocent but returned the keys to the property enabling SBHG to obtain vacant possession. He then attended Court and pleaded not guilty to the fraud charge claiming that he had not sublet the property, and a trial date was set.
- Ahead of the trial, the Council's financial investigator uncovered a previously unknown bank account which had a turnover of approximately £70,000. The suspect had been using these accounts after the date of the restraint order, a further offence under the Proceeds of Crime Act.
- During the trial, the suspect denied the allegations and said that the payments into his account were for work he carried out on the property. However, the jury did not believe his explanation and gave a unanimous guilty verdict.
- In December 2018 at Isleworth Crown Court, Her Honour Judge Paneth, sentenced the individual to 12months imprisonment, suspended for 18months, and ordered him to perform 200 hours of unpaid work. For breaching his restraint order, he was sentenced to custody for three months suspended for 18months.
- Proceeds of crime timetables were set for the restrained assets, and this action continues.

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**15. TENANCY FRAUD (Notting Hill Genesis)** – Following a tip-off from a member of the public, the housing association asked CAFS to investigate on their behalf. CAFS has an arrangement with several housing associations across the borough, including Notting Hill, that any properties recovered as a result of our fraud investigation will be given to the Council for allocation.

The information in this instance suggested a property in Oaklands Grove, W12 was unlawfully sublet by the tenant's son.

CAFS investigation revealed that the tenant had been unwell and required continuous 24hrs care and support. She had been moved to a private residential care home. However, her son appeared to have taken control of the address rather than return it to Notting Hill Genesis.

This was confirmed when investigators found sub-tenants at the property. The subtenant, who had only been in residence a few weeks, stated that the property was advertised online via Spare Rooms. They showed investigators a copy of a tenancy agreement which declared the tenant's son as the landlord of the property. They were quite shocked to discover the property belonged to Notting Hill Genesis.

With evidence of sub-letting, the son was invited to attend an interview under caution which he did, accompanied by a solicitor. He gave a pre-prepared statement in which he denied subletting his mother's social tenancy. He also stated that he suffered from mental health. After the meeting efforts were made to obtain further witness statements from possible subtenants but investigators were unable to track any down. Two of the subtenants identified were overseas students who had returned home and attempts to contact them failed.

With an insufficient amount of evidence to mount a criminal prosecution, the case was readied for a repossession hearing, but shortly after the interview, the keys to the property were returned. CAFS action had led to the recovery of a Notting Hill Genesis property which has since been offered to the Council for letting.

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<p>16.</p>	<p><b>HOUSING APPLICATION FRAUD</b> - A case was referred to CAFS by the Homeless Team when a homeless applicant failed to answer questions regarding capital and savings fully. Concerned the individual may have been lying the matter was referred to CAFS.</p> <p>The applicant was a former homeowner who had sold her property and made almost £50,000 from the sale. However, she could not fully explain what had happened to these funds.</p> <p>CAFS investigators undertook several financial checks and discovered what seemed like a reckless pattern of spending. When challenged, the individual said that they had needed to buy new clothes and spent money to help decorate her mother's home.</p> <p>Details of the investigation were passed to the Homeless Team who decided that the applicant had deliberately depleted her assets and capital in an attempt to claim she was financially destitute, and the Council's duty to provide support and assistance was discharged.</p>
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