

London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 21/06/2022

Subject: Corporate Anti-Fraud Service Annual Report – 1 April 2021 to 31 March 2022

Report of: David Hughes, Shared Services Director for Audit, Fraud, Risk and Insurance

Responsible Director: Director for Audit, Fraud, Risk and Insurance

Summary

The Council takes its responsibilities to protect the public purse very seriously and is committed to protecting the public funds that it administers. This report provides an account of fraud-related activity carried out during the past year to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

Work is undertaken by the Corporate Anti-Fraud Service (CAFS), providing a complete, professional counter fraud and investigation service for fraud attempted or committed against the Council and reinforces the Council's commitment to preventing, detecting and deterring fraud and corruption.

For the period 1 April 2021 to 31 March 2022, CAFS identified 131 positive outcomes. The fraud identified has a notional value of over £670,000.

Recommendation

1. For the Committee to note and comment on the report.

Wards Affected: None

H&F Values

Please state how the subject of the report relates to our values – delete those values which are not appropriate.

Our Values	Summary of how this report aligns to the H&F Priorities
Being ruthlessly financially efficient	CAFS supports the Council in its statutory obligation under Section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption. Where financial loss

	has been identified as a result of fraud, we will always seek to recover this loss either through the civil or criminal process.
--	--

Contact Officer(s):

Name: Andy Hyatt
Position: Head of Fraud
Telephone: 020 7361 2777
Email: andy.hyatt@lbhf.gov.uk

Background Papers Used in Preparing This Report

None

INTRODUCTION

- 1.1. This report provides an account of fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2021 to 31 March 2022 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.
- 1.2. 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.
- 1.3. All CAFS work is conducted within the appropriate legislation and through the powers and responsibilities as 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 prevention and detection of fraud and corruption.
- 1.4. The report also details activity and performance against the Council's Anti-Fraud and Corruption Strategy to assess its effectiveness, highlights some of the current and emerging areas of fraud risk, and provides an overview of the effectiveness of the Council's arrangements to minimise the risk of fraud.
- 1.5. During the financial year 2021/2022, CAFS investigated 426 cases, including 289 new referrals, and concluded 165 investigations. A conclusion ranges from a successful prosecution, through prevention activity, to 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.

Activity	Cases	Fraud types	Closed	Live
Live cases as at 01/04/21	261	Tenancy & Housing cases	96	218
New referrals received	222	Internal Staff	7	1
Closed investigations (Positive outcome 131)	187	High/Medium risk fraud	46	25
		Low-risk fraud	32	32
Live cases as at 01/04/22	296	POCA	6	20

- 1.7. For the period 1 April 2021 to 31 March 2022, CAFS identified 131 positive outcomes. The fraud identified has a notional value of over £670,000 and is detailed in the following table.

Activity	Year-end 2019/20		Year-end 2020/21		Year-end 2021/22	
	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)	Fraud proved	Notional Values (£'s)
Housing application fraud (<i>incl. tenancy correction</i>)	6	3,000	4	6,560	19	47,480
Right to Buy	6	12,000	1	3,500	4	11,700
Advisory Reports (pro-active)	9	23,500	7	27,000	8	20,000
Prevention subtotal	21	38,500	12	37,060	31	79,180
Tenancy Fraud (Council and Registered Providers)	34	430,600	6	100,500	22	257,000
Internal Staff	10	64,000	11	38,500	3	9,000
Business Grants and Business Interruption Fund (COVID support)	n/a	n/a	46	460,000	42	184,367
High/Medium risk fraud (e.g. NNDR, Blue Badge/Resident Permits)	8	6,000	9	86,040	15	6,560
Low-risk fraud (e.g. Freedom passes, Council Tax, SPD)	20	22,992	8	5,267	12	25,454
Detection subtotal	72	523,592	80	690,307	94	482,381
Proceeds of Crime (POCA)	10	197,695	1	25,000	6	109,116
Press releases and publicity	1	15,000	-	-		
Deterrence subtotal	11	212,695	1	25,000	6	109,116
Total	104	774,787	93	752,367	131	670,677

- 1.8 Details of noteworthy cases are reported in Appendix 2.

WHISTLEBLOWING

- 2.1 The Council's whistleblowing policy continues to be the primary support route for staff wishing to report a concern.
- 2.2 Since April 2021, CAFS has received no new referrals via the Council's whistleblowing policy.

ANTI-FRAUD AND CORRUPTION STRATEGY

- 3.1 The Council's Anti-Fraud & Corruption Strategy covering 2020/23 is based on five key themes: GOVERN, ACKNOWLEDGE, PREVENT, PURSUE and PROTECT.
- 3.2 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

- 4.1 Minimising any losses to fraud and corruption is essential to ensuring that all of the Council's resources are used for their intended purposes and ensuring we remain ruthlessly financially efficient.
- 4.2 Staff are often the first to spot possible cases of wrongdoing at an early stage and are therefore encouraged and expected to raise any concern they may have without fear of recrimination. Any concerns raised will be treated in the strictest confidence and appropriately investigated.
- 4.3 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 any suspicions.
- 4.4 Therefore, anti-fraud policies must be kept up to date to support and guide Council staff, ensure compliance with laws and regulations, guide decision-making, and streamline internal processes. The key anti-fraud policies are regularly reviewed, revised and presented to the Audit and Pension Committee for review and approval.

ii) ACKNOWLEDGE

Committing support and resource to tackle fraud

- 4.5 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.
- 4.6 All CAFS investigators are members of the Government Counter Fraud Profession (GCFP), which provides a professional structure with common professional standards and competencies for those working in counter fraud roles.
- 4.7 The GCFP enables organisations like the Council to strengthen counter-fraud capabilities through cross-organisational skills mapping, knowledge sharing and coordinated learning and development programmes based on lessons learnt across the public sector and a structure to develop counter fraud capability.
- 4.8 Since April 2021, officers from CAFS have continued to enhance personal development by utilising the Council's Learning Zone to improve and maintain core skillsets and competencies, blended with specialist training to ensure investigators maintain Continuing Professional Development (CPD) per their membership of GCFP.

Demonstrating that it has a robust anti-fraud response

- 4.9 Counter-fraud activity is reported to the Audit and Pension Committee twice per year, detailing performance and action in line with the Anti-Fraud and Corruption Strategy. The annual performance report also describes the activity, achievements and outcomes against the strategic objectives. See Appendix 1.

4.10 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.

iii) PREVENT

4.11 In addition to the specialist investigative role, CAFS continue to provide advice and support across the organisation, including the Council's partners and contractors.

4.12 This type of advice and support is essential during emergencies such as a pandemic when the fraud threat is higher than at other times for some services. For example, the Business Rates Team and the Business and Enterprise Team processing Discretionary Business Grants.

COVID-19 Counter Fraud Work

4.13 Throughout the financial year 2021/2022, CAFS has continued to provide investigative support to check the eligibility of applications for the Local Authority Discretionary Grants Fund. The fund aimed to support small and micro businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.

4.14 Investigators worked closely with the Business and Enterprise Team to conduct preliminary checks where the processing team raised concerns regarding applications and asked CAFS to check and verify the details provided by the businesses applying.

4.15 In total, CAFS stopped 42 grant applications. The checks and verification undertaken by CAFS showed the businesses were not entitled to or eligible for the grant, ensuring funds were made available to those who genuinely needed help and assistance.

4.16 For reporting purposes, CAFS has valued a notional saving of £184,000 where their investigations and checks identified the applicant as being ineligible.

Corporate Investigations

4.17 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.

4.18 Since 1 April 2021, corporate investigation work has included:

- School mandate fraud: Over the Christmas period, a local school became the victim of a scam totalling £36,000. On three separate occasions, the school received fake emails from a contractor asking for their bank account details to be changed and attached invoices which the school were duped into paying. CAFS was alerted, and action is ongoing to trace the money and the

perpetrators. CAFS also sent an alert to all LBHF schools reminding them to remain vigilant and provided advice and guidance on preventing this type of fraud, commonly known as "mandate fraud".

- **Sickness claim:** A referral from a Head of Service raised concerns that an agency staff member may have falsely submitted timesheets while on sick leave. LBHF no longer employed the authorising manager, so CAFS was asked to investigate retrospectively. Subsequent enquiries by an investigator revealed the former manager appropriately approved the timesheets. While the individual had been on sick leave, they legitimately claimed pay via their agency because they had Covid.
- **School admissions:** CAFS continue to assist School Admissions in fulfilling their statutory responsibilities, helping to check and verify prospective pupil's eligibility for school placements in Hammersmith & Fulham. CAFS provided additional assurance by validating 64 applications for secondary schools across the borough and will provide similar support for the intake of primary school pupils.
- **Parking fraud:** CAFS received a concern regarding a "parking free" housing development where it appeared residents had falsely obtained permits. The investigation revealed that the Planning Inspectorate for England and Wales had overturned the parking clause in the planning permission, and residents' permits were now allowed at the address.
- **Housing allocations:** An allegation was received that claimed insider fraud and the unlawful allocation of council properties. CAFS undertook an extensive review, including data analytics of all housing allocations, but found no anomalies or issues concerning property offers.

Housing/Tenancy Fraud

- 4.19 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 applications.
- 4.20 Between 1 April 2021 to 31 March 2022, CAFS successfully recovered 22 properties which were being misused. These have now been allocated or made available to those in genuine need of housing support.
- 4.21 Properties recovered include five three-bedroom properties, which are in high demand by families needing support and assistance. Full details of the successful investigation activity regarding social housing are detailed below.

Landlord	Location	Postcode	Size (bedrooms)	Reason for recovery	Outcome
Council	Verulam House	W6	1	Subletting	Property surrendered
Peabody	Beatrice House	W6	3	Subletting	Property surrendered
Council	Gibbs Green	W14	3	Subletting	Property surrendered
Council	Phipps House	W12	2	False statement	Court possession

Council	Ormiston Grove	W12	1	Subletting	Court possession
Council	Matheson Road	W14	1	Subletting	Property surrendered
Council	Wandsworth Bridge Road	SW6	3	Abandonment	Property surrendered
Council	William Banfield House	SW6	1	Abandonment	Property surrendered
Council	White City Road	W12	1	Abandonment	Property surrendered
Council	Browning Court	W14	1	Abandonment	Property surrendered
Council	Browning Court	W14	1	Abandonment	Property surrendered
Council	Star Road	W14	1	Abandonment	Court possession
Council	Bathurst House	W12	Studio	False statement	Court possession
Council	Sullivan Court	SW6	3	Abandonment	Court possession
Council	Lickey House	W14	1	Abandonment	Property surrendered
Council	William Morris House	W6	2	False statement	Property surrendered
Council	Swan Court	SW6	3	Abandonment	Property surrendered
Council	Sullivan Court	SW6	2	False statement	Property surrendered
Council	Sullivan Court	SW6	2	False statement	Court possession
Council	Hammersmith Grove	W6	1	Subletting	Property surrendered
Council	Roseford Court	W12	2	False statement	Property surrendered
Council	Lillie Road	SW6	2	Subletting	Court possession

National Fraud Initiative (NFI) 2020/21

- 4.22 A vital component of the anti-fraud and corruption Strategy is making better use of information and technology. Therefore, the Council participates in the biennial National Fraud Initiative (NFI), an electronic data matching exercise coordinated by the Cabinet Office.
- 4.23 The exercise aims to identify possible fraud, error and overpayments within public bodies, e.g. local authorities, central government, and the NHS. The Council has routinely participated in this initiative from its inception in 1996/97.
- 4.24 Over 1,200 public and private sector organisations participate in the NFI, including councils, the Police, hospitals, and nearly 100 private companies, all helping to identify potentially fraudulent claims and errors. The outcomes for the 2020/2021 NFI matching exercise are detailed below.

Matches	Fraud/Error	Amounts
Housing Benefits – overpayments recorded by DWP	28	£141,448
Blue Badge Parking Permits – cancelled by Parking Dept	269	£13,450
Resident Parking Permit – revoked following CAFS investigation	10	£156
Common Housing Register – removed following CAFS investigation	11	£36,080
	318	£191,134

- 4.25 The next NFI matching exercise 2022/23 will commence in September this year with the extraction of council data, with initial matching results available for review in Spring 2023.

iv) PURSUE

- 4.26 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.

- 4.27 CAFS have an Accredited Financial Investigator within the service to ensure that fraud recoveries are a crucial objective of all investigations.
- 4.28 In October last year, CAFS undertook an investigation on behalf of Shepherds Bush Housing Group. Following a successful conviction for unlawful subletting, the financial investigator obtained a confiscation order for £98,008 under the proceeds of crime. In addition, the officer got a further demand for the defendant to pay costs of £44,876.

V) PROTECT

- 4.29 This aspect of the Strategy covers counter-fraud activity to protect public funds, protect the Council from fraud, and protect itself from future scams.
- 4.30 CAFS remains an active member of the National Anti-Fraud Network (NAFN). NAFN disseminate national fraud alerts, which are circulated by CAFS, to the appropriate departments. CAFS also offers support and advice to ensure proper action is taken in response to the warnings and to protect the Council from fraud.

List of Appendices:

Appendix 1 – Strategic objectives and counter-fraud activity, including notable cases.

CONSULTATION

- 5.1 The report has been subject to consultation with the Strategic Leadership Team.

EQUALITY IMPLICATIONS

- 6.1 There are no equality implications arising from this report.

LEGAL IMPLICATIONS

- 7.1 A range of legislation governs the work of CAFS, including the Police and Criminal Evidence Act, the Criminal Procedures Investigation Act, the Regulation of Investigatory Powers Act, the Fraud Act, the Prevention of Social Housing Fraud Act, the Proceeds of Crime Act, and Data Protect Act.

FINANCIAL AND RESOURCES IMPLICATIONS

- 8.1 Resources required to deliver on the Council's counter-fraud Strategy come from the budget allocated to the Corporate Anti-fraud Service. There are no additional resource implications arising from this report. Successful investigations and prosecutions can lead to the recovery of Council assets and money which are required to protect front line services.

RISK MANAGEMENT

9.1 The delivery of the counter-fraud strategy and associated policies contributes to the management of fraud risks faced by the Council, with proactive exercises supporting managers to put effective counter fraud and corruption controls in place in their systems and processes.

STRATEGIC OBJECTIVES	ACTIVITY AND ACHIEVEMENTS
GOVERN	
<p>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</p>	<p>CAFS has established and communicated the framework of anti-fraud procedures and policies throughout the year, which demonstrate a commitment to integrity and ethical values and combine to act as an effective fraud deterrent.</p> <p>Details of counter-fraud activity continue to be reported to the Audit and Pensions Committee twice-yearly detailing performance and activity in line with the Anti-Fraud and Corruption Strategy. Reports contained details of assurance work, significant cases and the level of fraud loss.</p> <p>CAFS has continued to review and promote the Council's anti-fraud-related policies and procedures. This ensures they remain "fit for purpose" and incorporate any legislative or regulatory changes. These policies are presented annually to the Audit Committee for review and approval.</p>
ACKNOWLEDGE	
<p>Accessing and understanding fraud risks: identify and assess the Council's fraud risk exposure, the changing patterns in fraud and corruption threats and the potential harmful consequences to the authority.</p>	<p>All counter-fraud activity undertaken during the year is used to inform fraud risk levels. While this includes individual cases and outcomes, the data obtained from proactive operations, service reviews and risk assessments are invaluable.</p> <p>CAFS have demonstrated significant flexibility and innovation to respond to changing fraud risks and has provided considerable support to the Council's response to the Covid pandemic. Most notably, in providing robust pre-assurance checks for the various streams of government grant funding provided for distribution to local businesses and the various discretionary schemes where businesses had to apply and submit evidence of hardship to obtain a grant.</p> <p>CAFS have well-established measurement criteria to calculate the value of preventative measures and the benefits of action and activities designed to deter potential fraud. In addition, CAFS has a detailed set of notional fraud values underpinned by a comprehensive handbook showing how CAFS has calculated the economic loss due to fraud in many different and diverse areas of the Council. The handbook is currently being used as the starting point for the work undertaken by a national working group trying to agree on a countrywide set of fraud values.</p>
<p>Committing the right support and tackling fraud and corruption.</p>	<p>The Council maintains a dedicated resource, the Corporate Anti-Fraud Service (CAFS), responsible for tackling fraud across the organisation and ensuring these counter-fraud specialists have the right skills</p>

	<p>commensurate with the full range of counter fraud and corruption activity.</p> <p>CAFS has ensured that LBHF is one of the first local authorities to become a full member of the Government's Counter Fraud Profession (GCFP), bringing together individual and organisational counter-fraud learning from across the public sector. As a result, all CAFS investigators are members of the GCFP, which provides a professional structure with common professional standards and competencies for those working in counter fraud roles.</p> <p>The collective membership process included evidencing competencies, suitable processes to review and assess staff training, and a commitment to personal development. A peer review from colleagues at the London Borough of Brent gave CAFS a top score.</p> <p>Since April 2021, officers from CAFS have continued to enhance personal development by utilising the Council's Learning Zone to improve and maintain core skillsets and competencies, blended with specialist training to ensure investigators maintain Continuing Professional Development (CPD) per their membership of GCFP.</p>
Demonstrating that it has a robust anti-fraud response	<p>CAFS investigate allegations of fraud thoroughly and to the highest professional standards, where appropriate, seek the full range of civil, criminal and disciplinary sanctions and seek redress where possible.</p>
Communicating the risks to those charged with Governance	<p>CAFS reports on counter-fraud activity to the Audit and Pension Committee twice a year, detailing performance against the Anti-Fraud and Corruption Strategy and its effectiveness. The report should include details of assurance work, significant cases and the level of fraud loss.</p> <p>During the financial year 2021/2022, CAFS investigated 426 cases, including 289 new referrals, and concluded 165 investigations. During this period, they identified 131 positive outcomes. The fraud identified has a notational value of over £670,000.</p>
PREVENT	
Making the best use of information and technology	<p>CAFS continue to use and participate in existing technological fraud prevention/detection methods.</p> <p>CAFS participates in the biennial National Fraud Initiative (NFI), an electronic data matching exercise coordinated by the Cabinet Office. The exercise aims to identify possible cases of fraud, error, and overpayments within public bodies. The most recent activity concluded this year and identified 318 instances of fraud or error, amounting to a value of over £190,000</p>

<p>Enhancing fraud controls and processes</p>	<p>CAFS review existing controls and process connected with individual fraud investigations. Where weak controls processes are identified, take action to improve them and reduce the risk of further fraud.</p> <p>CAFS regularly assesses new and emerging fraud risks, ensuring the fraud controls cover many possible fraud schemes and risk exposure.</p> <p>During this year, CAFS has worked closely with the Business and Enterprise Team to understand the risks associated with COVID Business Grants and devise a series of pre-payment checks to verify the details the businesses are applying. These checking controls ensured that 42 who were not eligible were refused.</p>
<p>Developing a more effective anti-fraud culture</p>	<p>Through requests for advice and assistance, CAFS constantly ensures that staff and management are aware of their responsibilities to prevent fraud and corruption.</p> <p>CAFS will continually refresh and promote the Council's anti-fraud-related policies and procedures, using internal publicity and training to enhance understanding and communicate them across the organisation.</p> <p>CAFS will maintain and refine a corporate anti-fraud training cycle, including regular refresher courses and e-learning modules, which should be mandatory for relevant groups of staff</p> <p>Design and deliver classroom-based training courses on fraud and fraud recognition that complement existing eLearning courses. Activity raises awareness of fraud and highlights the risks and consequences of fraud against the Council and its impact on the wider community.</p>
<p>Communicating its' activity and successes</p>	<p>CAFS continue to build its intranet presence with a new Sharepoint site providing details about the service and showcasing anti-fraud policies.</p> <p>Where fraud reviews identify areas for improvement, CAFS produces outcome reports and service reviews for management that highlight the action taken to enhance or improve fraud controls.</p>
<p>PURSUE</p>	
<p>Prioritising fraud recovery and use of civil sanctions</p>	<p>CAFS continues to ensure that the counter-fraud specialists have the right skills commensurate with the full range of counter fraud and corruption activity and apply a full range of sanctions. This has now been evidenced through the GCFP, where the membership process included evidencing competencies, suitable processes to review and assess staff training, and a commitment to personal development.</p> <p>Within the Service, CAFS have an accredited financial investigator who can use the powers of the Proceeds</p>
<p>Developing capability and capacity to punish offenders</p>	

	<p>of Crime Act to seize and confiscate cash and assets obtained through fraudulent and unlawful means. The Act was established "to provide for confiscation orders concerning persons who benefit from criminal conduct". In 2021/22, CAFS obtained confiscation orders for £109,000.</p>
<p>Collaborating across departmental, geographical and sectoral boundaries</p>	<p>CAFS has a memorandum of understanding (MoU) and protocols to facilitate joint working and liaise proactively with organisations and agencies to assist in countering fraud, sharing resources, skills and learning, good practice and innovation, and information. In addition to the Council's data-sharing agreements with agencies such as the Police or DWP, CAFS also have MoUs with UK Border Agency, HMRC and local Housing Associations.</p> <p>CAFS continue to actively maintain the authorities' membership in the National Anti-Fraud Network (NAFN) and the London Borough of Fraud Investigators Group (LBFIG).</p> <p>The Head of Service is an Executive Board Member of both NAFN and LBFIG and an Executive Board member of the Fighting Fraud and Corruption Locally Board, the responsible body for designing and implementing the national counter-fraud strategy for local authorities.</p>
<p>PROTECT</p>	
<p>Recognising the harm that fraud can cause in the community.</p>	<p>CAFS continues to work closely with housing associations operating across LBHF and similar stakeholders to help prevent and detect fraud at the earliest opportunity. Working with housing associations has helped prevent and detect fraud in social housing, protecting affordable housing units for the community.</p> <p>CAFS also provides support and guidance as requested across the community to help residents and stakeholders protect themselves against fraud and advice on referring their concerns to appropriate bodies when fraud occurs.</p>

	<p>Case Description</p>

<p>1.</p>	<p>SCHOOL STAFF: The Police notified the Council that a staff member from one of the borough schools had been linked to a potential crime involving the transport of contraband to an inmate of an HM Prison. A person unknown had sent those contraband items via Royal Mail using the school's franking machine labels.</p> <p>CAFS investigation revealed that staff took school franking labels home during the pandemic lockdown so that urgent mail could continue to be sent out. Hence in this instance, the employee in question had them in their home.</p> <p>The investigation found no evidence that the employee had sent the items themselves. Instead, other family members had access to the labels.</p> <p>It was found that there was no requirement for the employee to take the franking labels home once they had returned to working in the school. Additionally, CAFS identified further issues regarding the security of the items, which resulted in the school's franking labels being used to send suspicious packages to prison and place the school and the Council at significant reputational risk.</p> <p>CAFS provided a full report of their findings to the school's governors, who dealt with the matter following their disciplinary policy.</p>
<p>2.</p>	<p>TENANCY: CAFS received an anonymous letter alleging that the tenant was subletting her council flat in William Banfield House, SW6, while living with her husband in Putney.</p> <p>Initial checks showed that the tenant had no financial footprint other than the tenanted address. However, the investigation uncovered a possible subtenant with several financial links to the William Banfield House address.</p> <p>The investigators carried out several unsuccessful home visits to the property. Eventually, in October 2021, CAFS investigators received a response when they visited. They found the subtenant in situ. The subtenant provided a written statement admitting they paid rent to the council tenant via cash transactions.</p> <p>In December 2021, the tenant was interviewed and agreed to sign a vacation notice and admitted to subletting the property. She was advised to ensure that the subtenant was out of the property by 2022 and the keys returned.</p> <p>Consideration to criminal prosecution was given, but due to health issues and the subtenant's reluctance to attend Court, along with all rental payments being made in cash, removing any audit trail, it was not deemed in the public interest to pursue.</p>
<p>3.</p>	<p>SUCCESSION AND RTB: When a tenant dies, a joint tenant, husband, wife or civil partner will usually be entitled to take over the tenancy. In certain situations, other family members who have been living with the tenant for a year up till the date they died may also have a right to take over the tenancy. They must provide documentary evidence to prove this.</p>

Following the death of a tenant in William Morris House, W6, the late tenant's son applied to succeed in the tenancy and make inquiries about the Right to Buy scheme.

CAFS was asked to review the information provided to check eligibility and found the son linked to an address in Surrey and W12 rather than the William Morris House property.

Enquiries with five independent organisations advised that the applicant had changed his address to the tenancy address in October 2020, the month and year of the tenant's death. One of these organisations provided sight of two driving licences. The first licence was issued at the Surrey address, and the second was issued in October 2020 at his late father's address in William Morris House.

Furthermore, the bank statement provided as supporting evidence showed regular transfers to a female along with transfers narrated "girls' savings". The investigation traced the female to an address in W12 where she lived with two girls, both of whom had the same surname as the applicant, and checks of the birth certificates confirmed this.

The investigator obtained the applicant's mobile phone data to check their location three months before the tenant's death. It captured 125 areas which were as follows;

No postcode was recorded – five occasions.
Postcode SW6 – five occasions
Postcode W12 – 115 occasions
Postcode W6 – no hits

Given this information, Housing was instructed to serve a Notice to Quit (NTQ) on the William Morris House address. However, the applicant vacated the flat a week before the NTQ expired.

4. TENANCY: At the start of the pandemic, intelligence received from the Police suggested that the tenant of a property in Matheson Road, W14 was not in the country and had emigrated to the Caribbean over two years ago.

	<p>Investigators commenced enquiries and soon discovered that the tenant had travelled to Trinidad and Tobago several years ago. However, there were no travel records to show she had ever returned to the UK.</p> <p>Initial visits to the property were unsuccessful, although an evening visit enabled officers to enter the communal hallway. Here they heard the sound of a child in the flat. They knocked on the door, and a white female eventually answered. She said she was unwell and would speak with the officers at another time. She gave her name as that of the tenant. However, Council records show the tenant to be a black female.</p> <p>An agreed appointment took place at the property with the female and her child. She openly admitted living at the address and said the tenant was also there until about 2017, but she left to live overseas. However, she continued to pay rent to the tenant. Investigators took a statement from the sub-tenant. Housing was informed of CAFS findings and immediately served a Notice to Quit on the property.</p> <p>The investigator made further enquiries and obtained financial information, which indicated payments from the sub-tenant to the tenant. However, the bank statements showed only transactions overseas and money transfers. Her residency overseas prevented the Council from taking further action against her.</p> <p>In May 2021, the Court heard the repossession case, where the tenant did not attend or defend her case. As a result, the Court granted the Council an outright possession order.</p>
<p>5.</p>	<p>SUCCESSION: Neighbourhood Services referred a case to CAFS for background checks because the subject applied to succeed his later father's council property in Roseford Court, W12.</p> <p>Suspicion arose when a credit check indicated that the subject had no links to the tenanted address.</p> <p>CAFS carried out further credit checks and uncovered that the applicant had a mortgage with Barclays. Subsequently, CAFS enquired with HM Land Registry, which confirmed that he was a property proprietor in Camden.</p> <p>The application was rejected due to CAFS's findings, and shortly after, the subject vacated the property and handed in the keys, providing the Council with vacant possession, unchallenged.</p>
<p>6.</p>	<p>TENANCY and POCA (Shepherds Bush Housing Group): A case was initially referred by Shepherd's Bush Housing Group (SBHG) for investigation back in 2017 when a housing officer raised concerns about the non-residency of their female tenant in St Hilda's Close, W14.</p>

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. It transpired that he had been subletting the flat for £1,200 PCM.

The defendant was subsequently charged under the Fraud Act 2006, and a restraint order enforced a freeze of all his assets. Ahead of his first court appearance, he 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, claiming the regular month receipts were for work he had undertaken for the subtenant, not rent. A trial date was set where the jury returned a unanimous guilty verdict.

In December 2018, at Isleworth Crown Court, Her Honour Judge Paneth sentenced the individual to 12 months imprisonment, suspended for 18 months, and ordered him to perform 200 hours of unpaid work. He had also broken his financial restraint order, and he was sentenced to custody for three months and suspended for 18 months.

After significant and lengthy delays, due partly to the pandemic and the requests for adjournment made by the defence, the proceeds of crime hearing took place at Isleworth Crown Court in Oct 2021 before HHJ Paneth.

HHJ Paneth declared that the defendant was assessed as holding available assets of £1.4m and ordered a confiscation against him for £98,008, which is the amount the judge believes he benefited from his crime and a further order for him to pay costs of £44,876.

The defendant was given three months to pay. However, the matter remains adjourned due to bankruptcy applications and consideration for the Council to place charges on the defendant's property, where sufficient equity will secure the Council's confiscation order and costs.

- 7. TENANCY SUCCESSION:** When the tenant of a property in Gibbs Green, W14, died, the Council received a succession application from the tenant's son claiming to have lived continuously at the tenancy address since 1997. However, to support the application, he had submitted bank statements addressed to him at an address in Reading.

	<p>Open-source research indicated that subject had been working in Reading since 2019, and subsequent checks with Reading Council revealed he was jointly liable for council tax at an address in Reading.</p> <p>The investigator initially spoke with the applicant to clarify the information provided to support his succession. He said he had not moved out of his father's property and set his wife up with a property in Reading but did not live there. At the end of the conversation, the investigator requested further documentary evidence from him. He again provided bank statements, but these merely showed additional transactions in and around the Reading area.</p> <p>The investigator then began to collate further evidence to show the applicant had been living in Reading at the time of his father's death and 12 months prior. This included the signed tenancy agreement for the Reading address in his name and confirmation from his ex-employers and current employers that his registered address was in Reading. Finally, proof from the Home Office that his wife's visa for entry to the UK was based upon their residency at the Reading address and his employment at his employer's Reading office.</p> <p>The subject was confronted with the evidence but refused to admit he was not eligible to succeed in his late father's tenancy. However, shortly after this encounter, he returned the keys to the housing officer. On 25/10/21, Housing confirmed that they had vacant possession of this three-bedroom property, which could now be allocated to someone in genuine need of support.</p>
8.	<p>TENANCY: Immigration Officers attended a flat in Lickey House, W14, and reported a possible non-residency to the Council. They believed that the named tenant, who they were looking for, may have moved from the address a decade ago.</p> <p>CAFS investigators visited the tenancy address with Neighbourhood Services colleagues and found a man in situ. He explained he was living in the flat with his brother and family. The genuine tenant was a resident when his brother came to live with him. However, the tenant moved out about eight years ago, leaving his brother in the flat. The brother was interviewed later and was very open and transparent. There was no evidence to suggest he had deliberately colluded with the tenant to take over the flat or obtain residency fraudulently. However, he was not the legal tenant.</p> <p>CAFS took no action against any of those living at the address. Still, repossession action commenced immediately, and following court action, the Council were granted possession of the one-bedroom property.</p>