

# Housing Benefit and Council Tax Benefit

## Examples of Fraud Sanctions applied



### 1. Introduction

- 1.1 The Council uses various methods to investigate fraud. For example, information can be matched against other council records, government agencies, employers or tax records. If a fraud has been committed it is likely that it will be discovered and action taken.

### 2. Fraud Sanctions applied

- 2.1 The Council undertakes many fraud investigations throughout a year, some of which result in fraud sanctions being applied.
- 2.2 From 2008/09 to 2014/15 the Council has undertaken 70 Interviews Under Caution for benefit fraud, resulting in 38 sanctions for benefit fraud, including 17 cases that have been referred to the Procurator Fiscal.

### 3. Examples of fraud cases

- 3.1 The following are some examples of recent frauds that have been detected and where fraud sanctions have been applied:
- 3.2 **Prosecution £14k – failed to declare partner** - following an anonymous allegation a joint investigation between the Council and the Fraud Investigation Service of the Department for Work and Pension was carried out. A single parent was prosecuted for benefit fraud as she failed to notify that she had a partner who was in work. In addition to having to repay a benefit overpayment of £14K she had to serve community service and now has a criminal record.
- 3.3 **Administrative Penalty – failed to declare Tax Credits** - a data matching exercise identified a claimant who had failed to notify the Council that she was in receipt of tax credits. An Administrative Penalty of £250 was imposed in addition to having to repay the Housing and Council Tax Benefit overpayment of £900.
- 3.4 **Reported for Prosecution £3k – failed to declare partner** – following an allegation of benefit fraud a single parent is repaying an overpayment of Income Support, Housing benefit and Council Tax Benefit of £3k as she failed to inform that she had a partner.

- 3.5 **Administrative Caution – failure to declare employment** – a single claimant failed to advise the Council of a second job and has to repay an overpayment of £5K. She accepted an Administrative Caution as an alternative to case being passed to Procurator Fiscal.
- 3.6 **Prosecution £19k – failed to declare earnings** – following receipt of a fraud referral a couple who failed to declare earnings were prosecuted for benefit fraud. In addition to having to repay a benefit overpayment and community service the claimant now has a criminal record.
- 3.7 **Administrative Caution – false rent** - an allegation was received in relation to false claim for Housing Benefit when there was no rent liability. The fraud was identified before any benefit was paid out and the claimant accepted an Administrative caution as an alternative to being reported to the Procurator Fiscal for benefit fraud.
- 3.8 **Administrative Caution – failed to declare savings** - following an anonymous allegation bank statements were obtained which identified a failure to declare savings. This resulted in an overpayment of Income Support, Housing benefit and Council tax benefit of over £8k, which has to be repaid. This claimant also accepted an Administrative caution as an alternative to her case being passed to the Procurator Fiscal.
- 3.9 **Prosecution £12k – failed to declare ownership of property** – a claimant failed to declare ownership of a property that they were not living in was prosecuted for benefit fraud. The claimant was put on a community payback order for one year and was told that they must undertake 200 hours of unpaid work.
- 3.10 **Prosecution £9k – failed to declare ownership of property and self-employed income** – a 69 year old claimant failed to declare ownership of a property that they owned in England as well as failing to declare self-employed income. A confiscation of funds under the Proceeds of Crime Act was requested.

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