

# COUNTER FRAUD TEAM



“EVERY POUND LOST THROUGH FRAUD CANNOT BE  
SPENT ON PROVIDING SERVICES”

Audit Commission – Protecting The Public Purse 2013

- ▶ Introduction to the Counter Fraud Team
  - ▶ What do we do
  - ▶ How do we do it
  - ▶ Whistleblowing
- ▶ What can be perpetrated against us
- ▶ How Big is the Problem
- ▶ Our Plan
- ▶ Our Future

# INTRODUCTION



- ▶ Argyll and Bute Council has not had a dedicated Counter Fraud Team since 2018.
- ▶ In early 2020, prior to COVID lockdown, a two year pilot was approved and in September/October 2020 two posts were filled to create the team.
- ▶ Report direct to CIA, linking with Internal Audit Team
  
- ▶ Colin Rae – Team Leader
- ▶ Background in Criminal Law and Criminal Justice
- ▶ Isla Binnie – Team Investigator
- ▶ Background in Council Tax and Internal Fraud Investigations

## INTRODUCTION TO THE TEAM



- ▶ In September 2020, new policies and procedures were drafted that incorporate the remit of the CFT
- ▶ We adopt a ZERO TOLERANCE approach to all aspects of Fraud, Corruption and Criminality
- ▶ We investigate all aspects of alleged fraud ranging from Council Tax to Employee Conduct
- ▶ We will provide our findings to the relevant departments to inform their decision on any potential action to take.
- ▶ If necessary, findings will also be reported to Police Scotland

## WHAT DO WE DO?



- ▶ Proactivity
- ▶ We will interrogate the validity of any referral or claim.
- ▶ We will data match from government sources
- ▶ We will investigate using evidential sources
- ▶ We may also use Regulation of Investigatory Powers Scotland Act 2000. (RIPSA) – Surveillance techniques. Watch, Monitor, Record.

## HOW DO WE DO IT



- ▶ Someone who gives us information about criminal acts
- ▶ Protected under the Public Interest Disclosure Act 1998
- ▶ We can receive info from the Public, Staff, Members and Suppliers
- ▶ All allegations received are logged and appropriate methods of investigation put in place.

## WHISTLEBLOWING



- ▶ “The intentional distortion of financial statements or records by persons internal or external to the Council which is carried out to conceal the misappropriation of assets or otherwise for gain”
- ▶ Three Elements
  - ▶ Falsehood, Inducement and Result
  - ▶ Position of Trust
- ▶ Crime at Common Law
  - ▶ Punishable up to life in prison

# FRAUD AND EMBEZZLEMENT





- ▶ “The taking or appropriating the property of another without the true owners consent and with the intent to deprive the owner”
- ▶ Corporeal
  - ▶ No “de minimus”
- ▶ Crime at Common Law
  - ▶ Punishable up to life imprisonment

# THEFT



- ▶ Regular reviews of Exemptions & Discounts – application of Civil Penalties where appropriate
- ▶ Irregularities in Single Person Discounts
- ▶ Long Term Empty Properties (avoidance of 100% Premium)
- ▶ Joint working with Land Lord Registration & Empty Homes Offices
- ▶ Non-Domestic Rates irregularities

## COUNCIL TAX



- ▶ Sickness Absence – “Sickies”
  - ▶ MyOptions – Clocking in/out, Exceptions and Clocking Requests
  - ▶ Expenses – Mileage, Overtime
  - ▶ Working out with Council – “Homers”
  - ▶ Grants and Loans
  - ▶ Scottish Welfare Fund
- 
- ▶ Procurement
  - ▶ Recruitment
  - ▶ Insurance

# EMPLOYEE, GRANTS AND OTHER



- ▶ UK Losses to Fraud £193Bn – Experian.com
  - ▶ Added cost to services/products to end user/customer
- ▶ Public Sector £37.5bn
- ▶ • Tax fraud costing £15.4 billion every year, equal to 3% of the total tax revenue.
  - Housing tenancy fraud is estimated to cost £1.7 billion.
  - Benefit and tax credit fraud are estimated at £2.4 billion.
  - Grant fraud is estimated to cost £2.7 billion.

UK taxpayers  
face £26billion  
bill as Rishi  
Sunak's  
'bounce back'  
loan scheme hit  
by fraud

The Express  
20/10/20

## HOW BIG IS THE PROBLEM



- ▶ To proactively counter Fraud through awareness and promotion
- ▶ To promote a ZERO TOLERANCE approach
- ▶ To actively investigate all referrals
- ▶ 'To establish working relationships and share information where appropriate
- ▶ To learn from incidents

## OUR PLAN



- ▶ Two year pilot
  - Annual Report to Audit and Scrutiny Committee
  - CIPFA accreditation
  - LEON Mandatory Course
- ▶ Reducing the Council's exposure to Fraud
  - ▶ Using media to highlight cases
- ▶ Legal Requirements
  - ▶ S95 Local Government Scotland Act 1973
- ▶ Develop and Nurture our ZERO TOLERANCE approach



## OUR FUTURE

- ▶ Web Page Portal and HUB
  - ▶ This was buried deep in the internet page, it has been now been promoted a more prominent place.
- ▶ Telephone
  - ▶ 01546 604789
- ▶ Email
  - ▶ [fraud@argyll-bute.gov.uk](mailto:fraud@argyll-bute.gov.uk)
- ▶ Flyer/Posters and Advertising

## HOW TO CONTACT US





Dundee City Council supervisor sold stolen smoke alarms  
on eBay  
Up to £10K  
16/11/2020



Knowsley Council worker stole  
£269k meant for care homes  
Jailed for 4 years  
20/05/2020



Deluded council worker funnelled £80k to pals so they could write off loans and pay for cocaine  
08/02/2019

Vale of Glamorgan Council worker jailed  
for £48,000 theft  
03/10/2018

# RECENT EXAMPLES



QUESTIONS OR QUERIES

A series of several thin, white, parallel diagonal lines extending from the bottom right towards the top right of the slide, adding a modern, geometric design element.