



**Minister Discloses That Eur375 Million Saved Last Year Through Tough Welfare Anti-Fraud Matters – Eur60 Million Saved In The First Two Months This Year**

***Brennan Warns That Every Euro Obtained By Fraud Is A Euro Taken Out Of Pockets Of Those Who Urgently Need Support***

Minister for Social Affairs, Séamus Brennan TD, today unveiled new statistics showing that his Department had realised anti-fraud savings of EUR375m during 2006.

Savings in unemployment payments realised the most at over EUR123m, followed by more than EUR78m in one-parent family payment and over EUR63m in illness payments. Almost 335,000 claim reviews were carried out. Some 89 percent of the 4,853 employers who underwent PRSI inspections were found to be compliant. **(\*Savings in each scheme is detailed below)**

The prosecution of offenders is a key element in the Department's overall control approach, with a total of 364 cases forwarded to the Chief State Solicitor's office for the initiation of proceedings during the period. Some 266 cases were finalised in court – of which 4 received prison sentences, 16 received suspended sentences, 105 were fined, 10 received community service and 52 received the benefit of the Probation Act. The remaining penalties included cases that were bound to the peace or adjourned with liberty to re-enter.

Minister Brennan said: "Every week an estimated 975,000 people claim weekly social welfare payments, supports and entitlements. Overall, almost 1.5million people, including dependents, will benefit from these payments. That is two out of every five people in the State who are, in one way or another, receiving vital welfare supports and availing of the safety net these provide. For that reason it



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is vitally important that my Department's resources are targeted at those most in need – we must reach the right people, with the right supports and at the right time.

My Department's priority is to ensure that those entitled to supports receive them and also that those who knowingly abuse and de-fraud the system are identified and dealt with. The savings of EUR375 million have been achieved by constant vigilance and by focusing on schemes with a high risk of fraud and abuse. I am determined to ensure that abuse of the system is prevented and is dealt with effectively when detected and I will take whatever steps are necessary to achieve this. It must be stressed that every euro obtained knowingly through fraud is a euro taken out of the pockets of those most in need of a welfare lifeline”.

The Minister also said his Department had realised anti-fraud savings of almost EUR60m during the first two months of 2007.

Savings in unemployment payments again realised the most at over EUR20m, followed by almost EUR15m in one-parent family payment and over EUR11m in illness payments. More than 54,000 claim reviews were carried out and 83 percent of the 434 employers who underwent PRSI inspections were found to be compliant.

In January and February, a total of 16 cases were forwarded to the Chief State Solicitor's office for the initiation of proceedings during the period during which 37 cases were finalised in court – of which 4 received prison sentences, 5 received suspended sentences, 16 were fined, 2 received community service, 6 received the benefit of the Probation Act, 1 was bound to the peace and 3 were struck out.

Fraud against the social welfare system arises in a number of different ways. In some instances persons claiming social welfare payments make false declarations



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or conceal material facts in order to obtain payment. In other cases there is deliberate failure to notify the Department of a change in circumstances or failure by an employer to comply with PRSI regulations.

Situations where overpayments would arise include those such as an undisclosed change in marital status, failure to disclose full means or increases in means, customers absenting themselves or their dependants from the State and failure to disclose the employment or residential status of their spouse, partner or dependants.

Measures to control fraud and abuse include desk review of claim papers, home visits, the issue of mail-shots to selected customers, database checking, medical reviews in the case of illness payments etc.

Examples of specific measures include:

- Matching data from Revenue on people who have commenced employment against the Unemployment and One-Parent Family Payment schemes.
- With the automation of the General Register Office, marriage data is now received on a regular basis and is matched against the Department's payments systems to identify 'live' One-Parent Family payment or Widows/Widowers claims.
- Similarly, information on deaths from the General Register Office is enabling savings in respect of pension claims where the Department has not been notified of the death by the deceased person's next of kin.

The prevention of fraud and abuse of the social welfare system is an integral part of the day to day work of the Department. Over 600 staff at local, regional and national level are engaged on a full or part-time basis on work related to the control of fraud and abuse of the social welfare system.



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A four pronged approach is adopted by the Department under its control strategy- prevention of fraud and error at the initial claim stage, early detection through effective review of claims in payment, measures to deter fraud and the pursuit and recovery of overpayments.

**ENDS**



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### **\*Savings by scheme –2006**

<b>Scheme</b>	<b>Amount Saved</b>	<b>Reviews</b>
	<b>EURm</b>	
Unemployment	123.11	73,389
Illness	63.03	164,771
Old Age Pensions	21.97	9,083
One-Parent		
Family Payment	78.25	25,098
Free Schemes	7.96	15,693
Child Benefit	17.81	17,802
Employer Inspections	7.63	4,853
Others	55.45	23,337
<b>Total</b>	<b>375.21</b>	<b>334,026</b>

### **Savings by scheme –January and February 2007**

<b>Scheme</b>	<b>Amount Saved</b>	<b>Reviews</b>
	<b>EURm</b>	
Unemployment	20.06	11,865
Illness	11.47	27,348
Old Age Pensions	0.68	882
One-Parent		
Family Payment	14.94	4,433
Free Schemes	3.34	3,816
Child Benefit	0.58	1,526
Employer Inspections	0.73	434
Others	7.87	3,820
<b>Total</b>	<b>59.67</b>	<b>54,124</b>