



Department of Social and Family Affairs

€206 Million Saved By Anti-Fraud Measures - Minister Reveals

Minister for social affairs, Séamus Brennan TD, today revealed that his department realised anti-fraud savings of €206m during the first six months of this year - an increase of nearly €30m on the last six months of 2004.

“This year my department will spend over €12 billion on welfare supports, double what it was four years ago. What that €12 billion means is that for every €3 of taxpayer’s money the state will spend, €1 will be on direct welfare supports. I am determined to build on this record level of expenditure so that all our people left stranded by previous tides of economic growth fully share in our current prosperity.

“It is equally 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. This is the objective of my department’s control strategy which, by bringing a new focus on schemes with a high risk of fraud and abuse, has resulted in these increased savings,” said Minister Brennan.

“I am also 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,” added Minister Brennan.



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Savings in unemployment payments realised the most at almost €66m, followed by more than €52m in one-parent family payment and nearly €36m in illness payments. Almost 159,000 claim reviews were carried out. Some 87 percent of the 2,781 employers who underwent prsi inspections were found to be compliant.

The prosecution of offenders is a key element in the department's overall control approach, with a total of 231 cases forwarded to the chief state solicitor's office for the initiation of proceedings during the period. Some 168 cases were finalised in court – of which 3 were served with prison sentences, 10 received suspended sentences, 84 were fined, 3 received community service and 58 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.

Fraud against the social welfare system arises in a number of different ways. In some instances persons claiming social welfare payments make false declarations 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 dependents from the state and failure to disclose the employment or residential status of their spouse, partner or dependents.

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 persons next of kin.

Last year the department realised anti-fraud savings of €386 million - an increase of more than one quarter on the 2003 figure of €306 million.

An estimated 970,000 people on average are expected to claim weekly social welfare payments this year. Overall, almost 1.5 million 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.

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Additional information:

Savings by scheme – first six months 2005

Scheme	Amount Saved €m	Reviews
Unemployment	65.67	45,257
Illness	35.62	70,258
Old Age Pensions	7.55	4,339
One-Parent Family Payment	52.21	13,521
Free Schemes	4.68	4,863
Child Benefit	9.89	8,183
Employer Inspection	5.75	2,781
Others	24.72	9,621
Total	206.09	158,823

Fraud And Abuse Of The Social Welfare System

The prevention of fraud and abuse of the social welfare system is an integral part of the day to day work of the Department of Social and Family Affairs. In this regard 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.

A four pronged approach is adopted by the Department under its control strategy, namely 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.

Systematic risk analysis is a key element of the control strategy. Scheme managers are responsible for identifying areas of high risk of fraud and abuse and for putting in place appropriate measures to address these risks in a systematic way. This approach ensures that review activity is targeted in the most effective manner.