



Almost €½ billion saved through social welfare fraud crackdown

Hanafin says targeted investigations will yield further savings in 2009

Almost €476 million in Social Welfare payments was saved through fraud control measures in 2008, an increase of €29million on the previous year, the Minister for Social and Family Affairs Mary Hanafin T.D., today outlined. **“We are stepping up fraud control right across all of our schemes to ensure that the right payments are going to the right people for the duration they have an entitlement to it. This year we are looking at making further control savings of in excess of €500 million.”**

Over 560,000 social welfare claims were reviewed in the past year. Savings on one parent family payments (including widows) realised almost €142million, followed by unemployment payments of €100million and over €72million through illness payments. In addition to these claims some 3,200 employers underwent PRSI inspections to check their compliance, with 87% found to be fully compliant.

Minister Hanafin said that given the enormous pressures on public finances, we will continue to ensure that the €19.6billion funding is targeted at those who are due to get money from the Department, while those who are no longer entitled to or are claiming something they are not will be stopped.

“The Department makes payments to over one million people every week, and the vast majority of them are claiming their entitlement



due to them. Where a customer's circumstances change, they should notify the Department immediately, in order to avoid getting into an overpayment situation. We seek to recover any overpayments from customers, as this funding is required to continue paying for other social welfare services. In cases of serious fraud, the Department will use all legal avenues open to it to recover the money defrauded and seek redress."

Minister Hanafin said 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."**

Minister Hanafin said there was a noticeable increase in the number of reports of possible fraud reported to the Central Control Section of the Department by members of the public. **"Last year 1,044 reports were received from members of the public, an increase of 70% on the previous year. Each and every case reported to the Department is investigated. And all reports made by the public are dealt with in a confidential manner, reports given anonymously are also fully investigated."** (Contact details for the Central Control Section are attached below).

The Minister went on to say that during the last six months of 2008, due to the increase in the numbers of claimants seeking Jobseeker's Allowances,



Social Welfare Inspectors who had been concentrating on fraud activity had to be diverted to means testing customers, in order to get their payment as speedily as possible. This, the Minister said, resulted in slightly less being realised under fraud control than had been envisaged at the start of 2008, however, the €25million of savings in targeted programmes announced in July had been achieved. These included;

- The Special Investigation Unit undertaking more regular interviews of recipients of jobseeker payments, particularly those with high risk ratings. The savings realised since July were €8.7million.
- Lone parent recipients with earnings are targeted for review. A special project in Kilbarrack yielded €435,000.
- Since July 2008, the frequency of mail shots to validate continued entitlement to Child Benefit has been doubled, to 3 monthly intervals for EU worker customers and 6 monthly intervals for resident non-national customers. Between July and November 2008, a total of 4,963 Child Benefit claims have been suspended and it is estimated that a further 1,100 claims relating to December will be suspended. Of these it is projected that some 2,400 will have their claims terminated, resulting in a potential saving of €20 million.

Minister Hanafin also said that members of the public are seeing a more visible form of investigation through the Departments participation in multi agency vehicle checkpoints. **“These multi-agency vehicle checkpoints are set up by An Garda Síochana and include agencies such as the Revenue Commissioners, Road Safety Authority, Department of**



Social and Family Affairs and Waste Management Divisions of relevant Local Authorities. At the checkpoints, Gardaí stop vehicles and refer certain vehicles to individual agencies where the occupants are interviewed.”

In 2008, 357 cases of social welfare fraud were forwarded to the Chief State Solicitors Office for the initiation of prosecution proceedings.

328 cases were finalised in court, two were imprisoned, 19 received suspended sentences, 208 were fined, nine received community service and 46 received the Probation Act. The remaining penalties included cases which were bound to the peace or adjourned with liberty to re-enter.

Breakdown of Savings/Reviews by scheme - January - December 2008

Scheme	Amount Saved	Reviews
	€m	
Unemployment	100.639	167,040
Illness	72.776	170,329
Old Age Pensions	38.069	7,194
One-Parent Family Payment (incl. Widows)	141.972	64,782
Free Schemes	33.106	24,223
Child Benefit	48.595	87,850



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Employer Inspection	6.190	3,203
Others	34.624	39,733
Total	475.971	564,354

Reporting possible fraud

The Central Control Section of the Department of Social and Family Affairs accepts reports of possible fraud offered by members of the public in relation to the Department's schemes.

Reports are accepted by email, phone or in writing. All reports are dealt with in confidence. A member of the public may give details anonymously.

Contact Details:

By email: central.control@welfare.ie

By phone: (01) 704 3000, ask for Central Control Section,

By Post: Central Control Division, Shannon Lodge, Carrick-on-Shannon, Co Leitrim.

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