



## **€468 million savings from combating welfare fraud in year to November – Varadkar**

Minister for Social Protection Leo Varadkar has announced that his Department has made control savings of €468 million by the end of November in combating welfare fraud.

Some 889,285 'control related reviews' were conducted right across the Department's schemes in the year to end November, which yielded €468 million in control savings. Investigations were conducted by social welfare staff, through direct enquiries, and face to face interviews with customers.

Short-term schemes generated the highest value savings with around one third of the total savings, some €135 million, generated from jobseekers payments. In most cases, savings arise when a person returns to work and does not inform the Department in a timely manner. Payments under the One Parent Family and Child Benefit payments accounted for around one-sixth each of indicative savings, with pensions accounting for around one-eighth.

More detailed investigations were conducted by the Department's Special Investigations Unit, which reports on the most serious fraud cases. The Unit has 110 officers, including 19 officers seconded from An Garda Síochána, and also works closely very with Revenue. In the year to November:

- The Unit has generated savings of €67 million;
- A total of 4,053 case detections resulted in social welfare payments being stopped or reduced;
- Some 1,734 cases were assessed as having a fraud overpayment with a total value of €26.6 million.

The Department seeks to recover monies overpaid to customers with €78 million recovered during 2016. By the end of November, the Department had referred 148 cases to the Chief State Solicitor to initiate legal proceedings for breaches of the Social Welfare Acts. A further 150 cases were referred to An Garda Síochána for consideration for prosecution under Criminal Justice legislation relating to more serious forms of fraud, including identity fraud, falsification of documents and personation. The Department also lodged 18 civil actions for failure to adhere to statutory provisions.

The Department also processed 20,155 reports of welfare fraud from members of the public. The majority of reports related to people who were perceived to be working and claiming benefit or not meeting the criteria for the one parent family payment. A high

proportion of reports also related to abuses of the supplementary welfare allowance schemes.

### Reports Processed by Type in 2015 & 2016 to year to end November

Type of report	Jan- Nov 2015	Jan- Nov 2016	Change
Working and Claiming	6,117	8,512	+39%
Cohabitation	3,136	4,014	+28%
Outside ROI	632	649	+3%
Employer issue	386	599	+55%
Other reasons	4,281	6,381	+49%
<b>Total</b>	<b>14,552</b>	<b>20,155</b>	<b>+39%</b>

Around 72% of reports contained sufficient information to warrant further examination and investigation (some reports result in more than one investigation having to be undertaken). The remaining reports lacked adequate information or a claim was not in payment or the information reported did not impact on the customer's entitlement to their payment.

The main allegations that are reported are the following:

**Working & claiming:** Where a person claims a payment, such as Jobseeker's Benefit/Allowance or an Illness payment, but takes up employment and does not notify the Department.

**Cohabitation:** People may be living as a "family unit" and fail to notify the Department of the situation in order to qualify for higher rates of payments, or payments to which they may not be entitled.

**Living abroad -** Where a person claims a social welfare payment, and is not resident in this jurisdiction, without notifying the Department but continues to claim the payment.

**Employer Issues - Social Insurance and employer non-compliance:** Where employers fail to maintain appropriate employment/wage records and where non-compliance or non-remittance of Pay Related Social Insurance occurs.

Other reasons include:

- Non-disclosure of means: Where a person claims a means tested payment, for example Jobseekers Allowance, but they do not fully disclose their means or sources of income to the Department which would include (earnings, savings, investments, maintenance, compensation,
- Multiple claiming or personation: Where a person makes a claim for more than one social welfare payment or by assuming and falsely using the identity and PPSN of another person which would include claiming benefit for a person who is deceased or claiming for a person who is prison.
- Life events: Where a person continues to claim a payment to which they are no longer entitled to such as a lone parent who marries, enters into a civil partnership or is cohabiting, or someone who continues to claim carers allowance claim where caring duties have ceased.

## **Ends**

### **Note for Editors**

Control savings are an estimate of the value of the various control activities across the schemes in payment. They represent an estimate of the value of prevented expenditure on claims over a future period. Control savings refer to future expenditure that would have been incurred but for this control work. Without this control work the social welfare expenditure would over time increase by this amount. Control savings are used as a performance indicator for year-on-year activities. Control savings do not include any cases where the customer voluntarily told the Department of their means or circumstances, which resulted in a change to their rate of payment. All of these control savings arise from proactive reviews on claims in payment.