



## **Over €480 million saved through review of 750,000 Social Welfare claims in 2009**

### **Hanafin announces new on-line facility to report suspected fraud**

Over 750,000 individual Social Welfare cases were reviewed in 2009, resulting in €484 million savings through fraud and control measures, compared with €476 million saved in 2008.

Minister Mary Hanafin T.D., today said **“reviewing claims already in payment, as well as fully examining all new claims is a huge part of the work of staff in the Department. In this coming year we are forecasting savings of the order of €533 million through fraud and control measures.”**

Savings on One Parent Family Payments realised over €117 million, followed by Illness schemes with savings of almost €90million, Child Benefit payments savings of just over €89 million, savings across pensions schemes of €84 million and Jobseekers of €60million. In addition to these claims some 1,560 employers underwent PRSI compliance inspections which secured €5.6 million in savings.

Minister Hanafin said that this year over €21 billion is expected to be spent across all Social Welfare schemes. **“In order to protect taxpayers money, funds have to be targeted at those who are rightly due to get this support from the Government, while those who are no longer entitled to or are claiming something they are not will be stopped.”**

The Minister also announced a new on-line facility for members of the public to report their suspicions of social welfare fraud. With the new service, available on [www.welfare.ie](http://www.welfare.ie), members of the public are asked



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to provide as much detail about the case they are reporting as possible, and with the on-line facility they can do so totally anonymously.

**“This past year members of the public have shown a distinct lack of tolerance for abuse of the welfare system and are increasingly reporting alleged cases of fraud. In the last 12 months our Central Control Section had over 6,400 reports, from members of the public, compared to just over 1,000 in all of 2008. Members of the public can phone, write or email in their suspicions, and now the new online facility means that this can be done directly from the Department’s website and totally anonymously. Each of these reports is followed up to see if action is necessary, and very good intelligence information is being provided for our Inspectors to follow up on”** said Minister Hanafin.

In relation to legal proceedings for suspected welfare fraud in 2009 :-.

- 308 cases were forwarded to the Chief State Solicitor Office to initiate legal proceedings
- 356 cases were finalised in court [of which 325 related to Jobseekers claims, with 217 having fines imposed, in 10 cases a prison sentence imposed, 45 given the Probation Act and 28 cases receiving a suspended sentence] and
- 889 were on hands with the CSSO/Local state solicitors at various stages of the prosecution process.

Minister Hanafin said **“the number of cases finalised in court has increased each year over the past decade, when in 2000 and 2001 about 200 cases were being finalised, whereas last year over 350 cases were dealt with through the courts.”**



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Social Welfare Inspectors also undertook investigations as a result of Multi-Agency Vehicle Checkpoints, conducted with An Garda Síochána and the Revenue Customs. A total of 67 of these took place in the past year, with 31 concentrated in the border counties. 4,255 people were questioned on these checkpoints. This resulted in cessation/reduction in respect of 101 claimants with total savings amounting to €1,011,146, of which €545,600 were from the Border Regions.

Minister Hanafin said that new initiatives were introduced during 2009 to target controls more effectively in schemes. **“These initiatives include improved system controls and increased volumes of certifications. For example fraud detection systems have also been improved through data matches with organisations such as the Revenue Commissioners on commencement of employment data, the General Registrars Office on Marriages and Deaths information, and many other organisations including the Departments of Justice, Environment, Education and other state bodies. In addition, a data matching programme is now in place to ensure that relevant information available in one area of the Department is applied to all schemes.”**

Social Welfare Inspectors have a dual role in that they investigate means for the means-tested schemes and are also involved in control activity which mainly involves the periodic review of claims. The increase in claims for jobseekers allowance has meant that the primary focus for inspectors is on the assessment of means to enable customers get their social welfare entitlements as quickly as possible.

**“In addition during 2009 particular emphasis was placed on prevention of fraud and error at the claim application stage. This is the most cost effective mechanism of reducing losses through fraud and error in social welfare schemes however**



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**savings achieved in this way are not included in the published figures for control savings”** said Minister Hanafin.

The Department engages in control activities other than inspector reviews including the issue of ‘certification’ letters to confirm continued entitlement, desk assessments, medical reviews in the case of illness payments etc. The Department’s Special Investigation Unit, which is dedicated to fraud control activities, has been putting an increased emphasis on the jobseeker’s schemes during the past year.

<b>Scheme</b>	<b>No. of Reviews</b>	<b>Savings €m</b>
<b>Jobseekers</b>	141,859	60.6
<b>Illness</b>	182,317	89.9
<b>OFP</b>	74,932	117.1
<b>Pensions (inc HHB)</b>	34,537	84.3
<b>Child Benefit</b>	288,050	89.1
<b>Carers</b>	2,948	12.9
<b>FIS</b>	24,611	17.4
<b>SWA</b>	n/a	7.1
<b>PAYE/PRSI Employers</b>	1,560	5.6
<b>Total</b>	<b>750,814</b>	<b>484.0</b>

### **New fraud control measures recently introduced**

Under existing provisions, a Social Welfare Inspector may, if accompanied by a member of the Garda Síochána, in uniform, stop a vehicle and question anyone in the vehicle where the inspector reasonably suspects that it is being used for employment or self-employment.



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The recently enacted Social Welfare & Pensions (No. 2) Act 2009 extends these provisions to provide for similar checkpoints operated by Social Welfare Inspectors and Customs Officers without the need for a Garda presence. It also provides that an Inspector may question any occupants for the purposes of the control of any social welfare payment.

Provision is also made that an officer of the Minister, authorised by the Minister, may serve notice on a financial institution requiring them to make available for inspection records which may contain information about possible welfare fraud.

In addition, the Act provides for the transfer of bulk information relating to recipients of social welfare payments to the competent authority of another Member State or international organisation or other country with which a reciprocal agreement has been made.

**ENDS**