

# Department of Social Protection Fraud Initiative 2011 - 2013



“Paying the right person the right amount at the right time”

“Welfare fraud is not a victimless crime”

An Roinn Coimirce Sóisialaí

Department of Social Protection

[www.welfare.ie](http://www.welfare.ie)



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## Minister's Foreword

We are living through one of the most serious recessions ever experienced in this country. We are living on borrowed money from our partners in the European Union, the European Central Bank and the International Monetary Fund. We are fortunate to have their support to help this Government run our country while we take the necessary steps towards a future recovery. Unfortunately, that support comes with certain conditions attached.

One of those conditions is that the Government saves €3.6 billion this year including expenditure reductions of €2.1 billion. As one of the largest spending Departments, it is clear that the Department of Social Protection will have to make a major contribution to these reductions – a task that is made infinitely more difficult by the increase in unemployment given the number of people losing their jobs.

I am very conscious that the vast majority of people who turn to my Department for support played no part in causing this financial crisis and I will do my best to ensure that the burden of resolving the crisis does not fall disproportionately on their shoulders. One of my key priorities, therefore, is to ensure that the Department's reduced resources are targeted at the people who need these most.

This is why I have asked my Department to step up its efforts to combat fraudulent activity. I have asked the Department to target fraud to the value of at least €625 million next year.

The Department **processes in excess of 2 million applications each year** and it **makes payments to some 1.4 million people every week**. I want to emphasise that the **vast majority of people are receiving the entitlement due to them**.

Social welfare fraud is often perceived as a victimless crime but I am conscious that it undermines public confidence in the entire system as well as being unfair to other recipients of social welfare payments and to taxpayers. I want to ensure that my Department pays the right person the right amount of money at the right time.

It is against this back-drop that my Department's new fraud initiative is set. The objectives of this plan are designed:

- To ensure a more comprehensive response and enhanced level of enforcement where fraud and abuse is prevalent and to prevent social welfare fraud entering the system;
- To ensure an integrated approach to the prevention, deterrence and detection of social welfare abuse across the social welfare system. Where social welfare fraud occurs to develop our capabilities to identify and stop it as soon as possible;

- To work closely and collaboratively with other agencies to ensure that social welfare abuse is comprehensively deterred and detected;
- To police actively the hidden economy and those sectors where there is a prevalence of social welfare fraud and abuse;
- To ensure that where fraud is detected, there are appropriate sanctions and penalties applied so as to promote public confidence in the social welfare system. This plan is about reinforcing the rights and responsibilities of customers as well as improving public perceptions about the security of the social welfare system; and
- Where social welfare fraud is committed, to ensure the effective and timely recovery of associated overpayments is imperative.

This initiative takes a revised and renewed approach to the challenges posed by social welfare fraud. The ambition is to ensure that the public have confidence and trust in this Government's response to combating fraud and abuse in the social welfare system.

**Joan Burton**  
**Minister for Social Protection**  
**September 2011**

## Section 1. Introduction:

### 1.1 Overview:

Income and support services impact on the lives of almost every person in the State. Some 1.4 million people each week receive a social welfare payment and, when qualified adults and children are included, a total of almost 2.1 million people benefit from weekly payments. Over 600,000 families receive child benefit payments in respect of over 1.2 million children each month. It is important to emphasise that the majority of people receiving social welfare payments are entitled to these. Total social welfare expenditure in 2011 is some €21 billion. This equates to some 40% of gross current government expenditure.

**The Programme for Government commits to a zero tolerance approach to social welfare fraud.** A key priority for the Department is to ensure that fraudulent activity within the social welfare system is vigorously prevented and combated. Social welfare fraud undermines public confidence in the entire system as well as being unfair to other recipients of social welfare payments, taxpayers and businesses run on a legitimate basis.

### 1.2 What is New in this Initiative?

There are a number of themes and approaches in this plan, which are set out in more detail in this document, and can be summarised as follows:

- Greater inter-agency cooperation among public bodies at national and local level to combat fraud and abuse;
- Greater presence of social welfare inspectors on the ground;
- Target sectors where fraud is more likely to occur;
- New ways to recover overpayments to be examined;
- Increased penalties for those operating in the hidden economy to be examined;
- Greater liaison at national and, in particular, at local level with employers, their representative organisations and businesses generally to ensure good information exchange on emerging fraudulent trends in the labour market, and also to maintain a fair and level playing pitch for all enterprises;

- Rollout of the new Public Service Card; and
- Enhancing the technical and auditing capacity of the Department through modern data matching and data interrogation techniques.

It is considered that the combination of these elements of the plan will lead to more focused and efficient activity and to more trust in and credibility of the social protection system. This fraud initiative is a work in progress and covers the period 2011 to 2013. It will be reviewed periodically and updated, as required, given emerging trends.

### **1.3 Transformation Programme:**

Following the reorganisation of Departmental responsibilities, the Department has now a much wider role in relation to the provision of activation, employment, community services and income support. The addition of almost 2,000 Community Welfare Service (CWS) and FÁS employment services staff, together with responsibility for a wide range of activation programmes at local level, will enhance our ability to interact directly with all our customers of working age in more effective ways. The transfer of functions brings together employment supports and associated income support services in one organisation, the National Employment and Entitlements Service (NEES). Arising from this, a more integrated approach to fraud control can now be realised. A single customer view for control purposes will be created.

#### **Department / Community Welfare Service**

We undertook a targeted control project involving both community welfare officers and social welfare inspectors in June 2011.

A total of **320** clients were visited of whom 99 were called for further interview. A total of 43 clients had their payments suspended – 18 for non-attendance at interview, 16 for no longer being at the address stated and 9 for non-compliance of information requested (e.g. rent and mortgage data). The savings generated from this project to date total **€140,000**.

In addition to those claims suspended, a further 32 clients will have their entitlements reviewed and as a result this project may lead to additional savings.

The following sections of the plan now detail the current and enhanced activity under the main pillars of the control programme. Some areas will require further examination in a legislative context and these will be advanced in the coming months in the context of a Social Welfare Bill in 2012. The principles underlying control activity in the Department are set out at Appendix 1. A summary of the action plans under this initiative is set out at Appendix 2.

## **Section 2. Control Challenges and Causes of Fraud:**

The changed economic environment over the last number of years has resulted in significant increases in the numbers of persons who need social welfare support. As a result there had to be a shift in the inspection work from reviews of existing claims to processing new claims, both of which, it needs to be emphasised, have a control element. It is vital to prevent fraud at the point of claim. In the last year there has been a requirement to rebalance existing control resources towards review activity, where possible.

We now propose to concentrate more on the factors that influence fraudulent behaviour. There are three key factors to be addressed:

### **2.1 Complexity**

Research undertaken on welfare fraud suggests that complexity within social security systems can cause or contribute to welfare fraud. The perceived difficulty in reporting changes in circumstances, for example, in means tested schemes and especially with regard to short time and casual work, may encourage people into fraudulent behaviour. Prior to 2011 the system of income support was not a unified one. Both the Department and the Community Welfare Service of the HSE were responsible for separate elements of income support delivery. As stated above, a more integrated approach to control can now be realised.

Complexity is also a function of the policy design of income support arrangements and such complexity is often the result of trying to cater for different groups of people with differing needs and a requirement for flexibility. The current system has developed in an ad hoc way over decades in response to different requirements at different times in the economic and social development of Ireland. While there is a need for flexibility, it is considered that the current arrangements should be simplified and streamlined. The proposal, for example, to introduce a Single Working Age Payment over time is a significant step in this direction.

### **2.2 Public Awareness – Rights & Responsibilities**

There should be a high level of control awareness on the part of customers in that they should know that correct identification and documentation will be required by the Department. They should also be aware that they may be subject to review at any stage of the claim. In particular, they should be aware that they should report any change in circumstances which may affect their claim or payments.

Low levels of awareness and a lack of clear understanding of the conditions for receipt of payments can consequently lead to fraud or error. Under this plan, the Department will ensure that all communication with customers will be clear

and unambiguous and it will clearly set out the rights and responsibilities of claimants and the consequences of engaging in fraudulent activity.

Additionally, the Department will consider how best to undertake an awareness raising campaign to highlight the responsibilities and obligations of social welfare recipients, and the consequences for defrauding the system.

### **2.3 Social Norms & Behaviour**

UK research by the Department of Work & Pensions indicates that welfare fraud is clearly influenced by social and personal norms<sup>1</sup>. Welfare fraud is often and incorrectly perceived as a victimless crime. Tolerance of welfare fraud in society generally or through peers leads to an acceptance of fraud. Where sanctions are believed to be weak or where persons engaging in welfare fraud believe that they will not be detected, this can increase the incidence of fraud. It is considered that there is a change in attitudes and culture generally in Ireland in relation to social welfare fraud and abusing public services generally.

In addressing these key factors, the plan is aimed at building upon and putting in place actions that ensure public confidence in the controls and security of the social protection system.

### **2.4 Types of Welfare Fraud**

The Department's analysis of welfare fraud demonstrates that the principal ways in which social welfare payments are fraudulently claimed are:

- **Concurrent 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.
- **Non-disclosure of means:** Where a person claims a means tested payment, for example Jobseeker's Allowance, but does not fully disclose the means or sources of income to the Department.
- **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 PPS number of another person.
- **Life Events:** Where a person continues to claim a payment to which he/she is no longer entitled 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.

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<sup>1</sup> *Factors Affecting Compliance with Rules: understanding the behaviour and motivation behind customer fraud, DWP (2009)*

- **Cohabitation:** Persons may be living as a 'family unit' and fail to notify this to the Department in order to qualify for higher rates of payments, or payments to which they may not be entitled.
- **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.
- **Non residency in the State:** Where a person claims a social welfare payment which requires residency, and he/she is no longer resident.

## Section 3. Control Programme – Prevention and Detection

The Department recognises the adverse impact that abuse of the social welfare system can have in the area of fair competition in the labour market and the importance for our customers and society to maintain an effective control regime. The overall objective is about ***‘ensuring that the Department pays the right person the right amount at the right time’***

This initiative aims to reduce significantly fraud and abuse. Our emphasis, therefore, is to minimise risks of fraud and eliminate incorrect payments. This involves checks at the point of claiming strengthened by systematic reviews of claims in payment, verification that the conditions for entitlement continue to be met, including means, residency and medical reviews. Additionally, there will be an emphasis on targeted inspection of employers for compliance. Where customers claim amounts to which they are not entitled, arrangements for debt recovery and prosecution of offenders will be pursued.

The development of information technology has played and will continue to play a major part in the enhancement and focusing of our control policy. The use of a common identifier, standard methods of capturing and validating data and adherence to principles of data integrity are all aimed to ensure that data are up to date, accurate and appropriately accessible.

### 3.1 Levels of Social Welfare Fraud

The social welfare system is a contingency based one providing a range of benefit/ allowances in respect of support for children, persons of working age, and older people. Across these contingencies the levels of fraud associated with particular schemes will differ according to the type of payment being claimed, with some schemes exhibiting higher levels of fraud incidence and risk than others.

In order to establish a baseline on the incidence of fraud risks within its schemes, the Department undertakes a series of fraud and error surveys. The process involves social welfare inspectors reviewing a random representative sample of claims in a particular scheme (i.e. 500 - 1,000) to assess the underlying levels of fraud and error, and actions then being taken to address the fraud and error risks identified in that scheme. This methodology is used by many other jurisdictions as a determinant of fraud risks.

Based on these fraud and error surveys which have been systematically conducted by the Department, the schemes where a person is of working age have been found to exhibit higher levels of fraud than other contingencies. In particular, the Jobseeker’s Allowance, One Parent Family and Disability Allowance have shown more pronounced incidences of fraud risks compared to other schemes. Conversely in schemes such as the State Contributory Pension fraud and error surveys have shown low rates of fraud or exposure to fraud risks.

In the last 5 years, the surveys found that the fraud and error rates amongst various schemes ranged from 1 % in the case of state contributory pension, to 1.9% on non-contributory state pension and to 3.1% of expenditure on jobseeker's allowance. Surveys on disability allowance and on one-parent family allowance are currently nearing completion.

### **Signing Project**

A selective signing initiative was undertaken at a Social Welfare Local Office in April 2011. A total of **900** persons were required to attend for signing and interview over the course of 2 days and present photographic ID and documentation.

### **Outcomes**

- Of the 900 invited, 730 attended.
- 70 non-attendance cases were excused, 36 persons having found work
- 37 persons claims were closed
- 13 persons admitted working casually or temporary

The control savings generated from this project realised over **€314,000**.

Fraud and error surveys will continue to be an integral part of the Department's control plan. They provide the Department with an indicator of the estimated risk of the schemes surveyed to enable the Department to enhance procedures and processes to build control across the relevant schemes. Details of the programme of surveys planned for the Department in the medium term are set out in section 9.2 of this document.

## **3.2 Control should be Commensurate with Risk**

It is important that the level of control work undertaken be commensurate with the risk(s) involved. Therefore, in drawing up specific procedures and activities for schemes, an objective risk analysis is carried out to determine the main risks of fraud and error. Control procedures relate to the perceived risk of fraud, error or other loss and will be regularly reviewed for effectiveness. These procedures should also be cost effective. Such risk assessments will be conducted periodically across all functions to provide and maintain an up to date picture of the Department's fraud and error risk profile.

### **3.3 Control measures**

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

Controls are exercised at both the initial claim stage and at subsequent stages during the claim life cycle. Claims are reviewed on a regular and targeted basis. Means tested payments are reviewed at certain intervals or when there are indications that changes in circumstances have not been reported to the Department. Those in receipt of illness payments are called for a medical examination by the Department's medical assessors. Customers in receipt of unemployment payments are checked on an ongoing basis to verify continued compliance with such requirements as being available for and genuinely seeking employment. Under this plan, the existing control measures will be reviewed, enhanced and their outcomes monitored for efficiency. The objective is to do more cost effective value for money reviews which means a focus on higher value cases of greater risk.

### **3.4 National Employment and Entitlements Service (NEES)**

As already stated, the Department is establishing a new National Employment and Entitlements Service, as provided for in the Programme for Government, which will integrate employment services and benefit payment within the fundamentally reorganised Department. In establishing and developing this service, the Department has set out to design one based on a case management approach with the objective of providing a more customised and personal service to customers.

The overall objective is to improve the life chances for customers by reducing their distance from the labour market. A key objective of the new service is that it will offer users a high level of personalised employment support and prioritise the provision of more intensive support for those on the live register who are identified as being most at risk of long-term unemployment. This will be achieved through the use of proactive approaches and modern case management systems.

A key feature of the new service will be that customers will be required to engage with these options in order to retain their entitlement to full benefit payments. However, where customers fail to engage with the new service, or to comply with the requirements of the jobseeker's scheme, their social welfare payments may be reduced or terminated. Overall the development of

the NEES facilitates a balanced focus on the three elements of the service, i.e. making payments in an efficient manner; supporting people through activation measures; and combating welfare fraud.

The Social Welfare Act, 2010 provided for “penalty rates of payment” which is a reduction in jobseeker’s benefit, jobseeker’s allowance and supplementary welfare allowance where a person has, without good cause refused to participate or to agree to participate in a course of training which is considered appropriate; or failed to avail of any reasonable offer of training provided or approved by FÁS. These measures are being invoked since early in 2011 and will become an effective part of the Department’s activation and control policies over the course of this plan. Some 120 persons have been subject to penalty rates of payment to date. Consideration will be given to the extension of these type of arrangements depending on their effect.

### **3.5 Control Actions**

To address the prevention and detection of social welfare fraud the following actions will be undertaken:

- There will be systematic reviews of entitlement across all social welfare schemes having regard to the level of fraud risk associated with each scheme. The emphasis will be on targetted home visits by investigators and comprehensive face-to-face interviews of persons suspected of fraudulent activity.
- The Department will supplement reviews of entitlement by the frequent use of direct mailshot letters to customers to validate that the conditions for receipt of benefits, allowances and child related payments are met. In addition, they will also serve to heighten fraud awareness. In instances where the customer fails to respond, payments will be suspended or forwarded for investigation.
- In the case of persons receiving illness and disability payments, recipients will be reviewed on a systematic basis through personal medical assessments and case reviews to ensure that the medical aspect of their entitlement is still fulfilled.
- Targetted residency checks on social welfare claims will be systematically undertaken nationwide by Departmental inspectors in order to determine whether residency status is fulfilled.

#### **Non Residency Project**

As part of a suite of ongoing national projects being undertaken, the Special Investigation Unit focused on individuals who are suspected of not being resident in the State. Thus far a total of **2,862** persons had home visits and were interviewed about their claim status. A total of **308** claims have been terminated as a result of SIU intervention with savings of **€3.24 million** generated.

- Good citizen reports of suspected fraudulent social welfare claims can be made by calling 1890 927 999. Alternatively, there is an on-line facility for members of the public to report their suspicions of social welfare fraud on [www.welfare.ie](http://www.welfare.ie). Members of the public are asked to provide as much detail about the case they are reporting as possible and with these facilities they can do so totally anonymously. The Department systematically investigates all such cases reported, in so far as possible given the information provided.

### **Cleaning Company**

A joint inspection of the site of a newly completed building, following intelligence received on an anonymous basis, revealed a number of employees of the company had false identities and subsequently left the employment. Both Revenue and DSP are looking closely at this company, which has over 400 employees and DSP savings to date are over €48,000. With such a high number of employees the investigation is painstaking and ongoing.

- The Department has, in the last number of years, been engaged in comprehensive data matching with other government departments and public bodies for fraud control purposes. Data matching is viewed as a very efficient and effective mechanism to target control related activity. The Department will continue proactively to match data with agencies and broaden the range of data it uses to uncover and detect social welfare fraud. Examples of data matching to date for control purposes include the Irish Prison Service, commencement of employment notifications from Revenue, Third Level College students' listings and information relating to taxi licences from the Commission on Taxi Regulation.
- The Department undertakes a programme of employer inspections to ensure that accurate records of employees are kept; the correct class of PRSI is being deducted and remitted, employees are not concurrently working and claiming social welfare payments. In addition, they ensure that employers are aware of their responsibilities with regard to social welfare and tax legislation and incentives available to employers. There will be a re-emphasis towards onsite inspections to increase a visible Departmental presence across those sectors of the economy where social welfare fraud is prevalent or suspected.
- Activation and Control Teams (ACTs) are established across the Department's regional network. As part of this initiative and in order to ensure an integrated approach to fraud control, these teams will be enhanced by the integration of the community welfare officers and FÁS staff into the Department. These control teams will now comprise social welfare inspectors, facilitators, special investigation unit staff, community welfare officers, FÁS and social welfare local office staff. The ACTs will

help to ensure that all activation and control activities, established and new, across all schemes, are being vigorously applied and augmented with targeted specific approaches based on local knowledge and circumstances. There will be a single customer view, from a control perspective, by having these former agencies amalgamated into the Department and as members of the ACTs.

### **3.6 Advertising Campaign**

Under this fraud initiative a targeted advertising campaign will be undertaken at local level (e.g. local radio) and on the website which highlights the dedicated fraud reporting arrangements. This campaign will also highlight the negative effects of social welfare fraud both on the social welfare system, those recipients that are most at risk of poverty and on the legitimate business community.

### **3.7 Greater Liaison at All levels**

The Department plans to hold a consultation forum on this fraud initiative in 2011 with all stakeholders including social welfare recipients and businesses. As part of the drafting of this initiative, consultations took place with staff through 8 regional seminars and a selection of their proposals is set out as Appendix 3.

## **Section 4. Control Programme: Sanctions, Deterrence and Debt Recovery**

An effective deterrence regime is necessary to ensure appropriate sanctions can be quickly applied which are commensurate with the offence committed. Where an individual committing social welfare fraud thinks that the potential penalty or sanction is minimal relative to the potential gain, then the fraudulent activity will be encouraged and most likely continue.

### **4.1 Overpayments & Debt Recovery**

A key aspect of control policy is to ensure that appropriate sanctions are applied in instances where social welfare fraud has been detected. Effective debt recovery is seen as an integral part of the deterrent approach. It creates a climate where people who have been overpaid know that they have a responsibility to repay and that the Department will take appropriate steps to effect recovery.

For those on benefits/allowances the Department generally recovers any overpayment by deducting it from their existing payment. However, the rate at which the Department is permitted to recover overpayments is limited in that the legislation permits recovery by deductions from current social welfare payments provided this does not cause the person's income to fall below the basic appropriate supplementary welfare allowance rate, without their written consent. In many cases therefore, the Department can only legally recover €2 per week even in respect of large debts.

Every effort must be made to prevent overpayments, but, if they occur, they should be regarded as a debt to the Exchequer, and every effort will be made to recover the amounts through all available means.

### **4.2 Future Developments regarding Debt Recovery**

Debt holders should be aware that a Department of Social Protection debt will remain on their records until fully recovered. This will result in a reduction of all future entitlements up to and including state pension. Following the death of a customer who owes a debt, the Department will have a claim on any estate remaining.

The objective, therefore, under this initiative is over time to establish a situation whereby and where practicable:

- All debts are pursued and will remain on a debt holder's record and are recoverable;
- The recovery of debt is an intrinsic part of the administration of social welfare schemes irrespective of the type of benefit/allowance on which the overpayment arose;

- An active debt recovery function is established in each scheme, local office and community welfare service area;
- Upon awarding all new claims the Department will examine the debt position of a customer and consider an appropriate recovery plan;
- Where there is an outstanding debt and the customer transfers from one payment to another, such overpayments will be pursued actively and consistently;
- Recovery action is also pursued where customers who have an outstanding debt take up employment;
- A debt arising from fraudulent activity will not be written off in cases where a debt holder is living, as recovery can be pursued up to future pension entitlements and following death where an estate remains;
- Recourse to civil action to recover significant debts will be undertaken, where appropriate.

Given this enhanced approach, the Department plans to increase the level of debt recovery by reviewing the overall approach, particularly in the context of overpayments that have arisen from suspected social welfare fraud. While the details, including in particular legal requirements, will have to be examined closely, options that will be explored under this initiative include:

- Removing the current restriction on the recovery of debt from current social welfare entitlements, including the amount by which the Department can recover each week;
- Where persons who have debts/overpayments are in employment, matching earnings data against debt holders with a view to accelerating overpayments recovery;
- Examining the possibility of having an attachment of earnings facility;
- Examining the feasibility of recovering social welfare debts from other payments made by the State e.g. redundancy, student grants, farm payments etc.;
- Increasing the number of civil proceedings cases taken against those who owe a debt to the Department who have not commenced repayment.

The consideration of all options in these areas has of course to be balanced, clearly taking into account the core income support and social inclusion purpose of social protection payments.

### 4.3 Actions

To address these issues, the following actions are being or will be undertaken.

#### **Legal Proceedings & Prosecution:**

It is the Department's policy to consider for prosecution cases of fraud against the social welfare system. The Department ensures that all cases that merit prosecution are forwarded for consideration of legal proceedings and that all necessary evidential proofs are available. In considering or when referring cases of social welfare fraud for legal proceedings the Department applies defined and recognised best practice standards. This includes the duration of the fraud, amount overpaid, previous incidences of social welfare fraud etc.

Criminal prosecutions are taken in the main by summary proceedings in the District Courts. The maximum penalty provided for cases taken summarily is a fine not exceeding €2,500 or a term of imprisonment not exceeding 6 months or both such fine and imprisonment. (*The amount of the fine increased from €1,500 to €2,500 in January 2011 when the Fines Act 2010 was enacted.*) Criminal prosecutions may be taken against persons who defraud the social welfare payments system and employers who fail to carry out their statutory obligations. A person who is found guilty of abusing the social welfare system may be fined or imprisoned.

#### **Legislation:**

Legislation is reviewed continuously and updated to strengthen controls and penalties. In the context of the Social Welfare Act, 2011, a number of provisions were brought forward to enhance fraud and controls measures including:

- Enhanced powers for social welfare inspectors
- Repayment of fraud overpayments
- Inter agency checkpoints

A departmental legislative working group has also been established. The group comprises fraud investigation and control personnel and its objective is to examine issues and make proposals on measures that could improve the prevention and detection of social welfare fraud. This group explores a range of possible legislative changes from a control perspective and brings forward appropriate proposals for consideration in the annual Social Welfare Bills. Its current focus is on the Social Welfare Bill, 2012

#### **Maintenance Recovery:**

Under the Liability to Maintain Family legislation, the Department has powers to recover some or all of the moneys being expended on social welfare payments for lone parents and their children. The philosophy underlying this legislation is that, if lone parents require social welfare support due to inadequate or no maintenance from the other parent of their child/ren, then the State is entitled to recover some or all of this money from the liable relatives.

Applying maintenance recovery legislation is primarily enforcing the principle that liable relatives have a financial responsibility towards their children and/or spouse. Improved sanctions are, therefore, necessary to give sufficient 'teeth' to the maintenance recovery effort. The Department is currently reviewing the Liability to Maintain Family provisions, and following on from this, will examine a range of proposals with a view to increasing the effectiveness of the system. In order to recoup a higher proportion of the monies paid under the One Parent Family Scheme, a number of options will be considered under this initiative:

- An attachment of earnings option – in the first instance this will be for consultation with relevant bodies and groups. Attachment of earnings is used by child support agencies throughout the world as a normal tool of business.
- Making a minimum deduction from a liable relative's social welfare payment and from all income earners (including low incomes).
- Reviewing the assessment of maintenance payments on the OFP scheme, to ensure there is no disincentive to establish or disclose a family unit.

Again it is important to state that there will be a balanced consideration of all options, taking full account of social inclusion objectives.

## **Section 5. Special Investigation Unit (SIU)**

### **5.1 The Work of the SIU:**

The exclusive function of the Department's Special Investigation Unit (SIU) which comprises 89 officers around the country is to investigate and report on fraud and abuse of social welfare schemes. It involves a broad range of management, liaison, enforcement, investigative and intelligence gathering duties and operates at the high or more organised end of fraud and abuse. The Unit carries out a wide range of control activities and projects. It also works closely with Revenue staff in the Joint Investigation Unit, with NERA and the Gardaí. Its main objectives are to:

- Ensure a national and strategic response to high risk sectors and social welfare schemes where fraud and abuse is prevalent;
- Identify those sectors of the economy and conduct comprehensive investigations where the risk of concurrent working and claiming social welfare payments is most prevalent.
- Undertake a series of targeted national projects aimed at the prevention and detection of social welfare fraud in high risk sectors, schemes and client cohorts; and
- Work closely and collaboratively with other compliance and fraud investigation agencies to ensure that social welfare abuse is comprehensively deterred and detected.

### **5.2 Actions:**

The emphasis of SIU activities is on direct intervention and engagement. In addition, home visits and face to face interviews are conducted on individuals where evidence of social welfare fraud is adduced. High visibility operations by the unit are regularly and systematically undertaken. The effectiveness and cost-benefit of these operations and projects are monitored and operational experience will inform whether to continue, escalate, or terminate the specific projects. New control projects will be developed and introduced, where appropriate.

The specific activities being undertaken in the context of this plan include the following:

- Where intelligence or reliable reports are received about persons engaged in concurrent working and claiming reviews of eligibility are immediately undertaken;
- A series of high visibility site visits and employer inspections are systematically conducted to detect incidences of social welfare fraud;

These visits and inspections are undertaken in those sectors where the risk of fraud is most prevalent;

- A number of high visibility operations are being jointly conducted by SIU and local authority environmental officers to identify environmental offences and simultaneously detect incidences of social welfare fraud;
- Reviews of persons employed on a casual basis and claiming jobseeker's payment are being undertaken. These are aimed at ensuring persons are not engaged in any incorrect certification or claiming of social welfare payments;
- Projects are being undertaken by the SIU at social welfare local offices on dates where persons are certifying themselves as unemployed. All persons signing on their monthly signing day must produce photographic ID to verify their identity;
- Ongoing projects are being undertaken on individuals who are suspected of not being resident in the state. Such cases are home visited and interviewed about their claim status and evidence of residency within the jurisdiction;
- A key priority for SIU will be active policing of the hidden economy sector where there is a prevalence of social welfare and abuse. Investigations will be undertaken through Joint Investigation Units with Revenue;
- Projects are being conducted on long term recipients of payments (e.g. illness, disability, one parent family) to ensure that eligibility to the payments continue to be met;

#### One Parent Family Payment Project

As part of their fraud plan for an area for 2011, social welfare inspectors and SIU officers undertook an OPF review project during March specifically targeted at cases where there were indications or suspicions of fraud.

In total, 270 OPF cases were reviewed. Savings were achieved in 82 of the reviews with the termination of 67 of the allowances.

- A national project being undertaken by the Unit relates to the detection of multiple claiming, identity fraud or bogus claims. A particular high risk area in the context of social welfare abuse and fraud relates to that of identity fraud and the multiple claiming of social welfare payments. Cases and cohorts of claimants where the characteristics of multiple claiming are identified and operations are undertaken. In instances where multiple claiming is detected these cases, where appropriate, are referred to the Gardaí for criminal proceedings under the Criminal Justice (Fraud & Theft) Offences Act;

- The SIU is systematically involved in the multi agency vehicle checkpoints (MAVCs) with other agencies, including the Gardaí Traffic Corps and Revenue Commissioners. Each agency has specific control and compliance briefs. The other agencies involved are fully aware of the priority and importance accorded by the Department to fraud detection and it forms an integral part of these combined operations;
- A number of serious case reviews are being investigated and directed towards individuals whose lifestyle and display of wealth or assets are not commensurate with social welfare dependency. These case reviews also have Revenue involvement;
- In cases where serious or protracted fraud is detected by the SIU such cases are submitted for consideration of prosecution.

## Section 6. Inter Agency and other Co-operation

As part of its fraud investigation and control activities, the Department has formed alliances and mutual assistance agreements with a range of enforcement and compliance agencies. In particular, departmental investigators work closely and collaboratively on an ongoing basis with other agencies to ensure that social welfare abuses are comprehensively deterred and detected (e.g. Revenue, National Employment and Rights Authority (NERA), Garda Síochána, FÁS, HSE, local authorities and the Taxi Regulator). In the context of cross-border co-operation, the Department has established both strategic and operational structures to combat cross-jurisdictional social security fraud. Under this initiative there will be a greater focus on inter agency co-operation at the local level and an emphasis on undertaking joint projects and pooling of local knowledge.

**Co-operation with Revenue:** One of the primary relationships is that with the Revenue Commissioners. The Department liaises bilaterally with Revenue through the High Level Group, whose main purpose is to deepen the interaction strategic and at operational level between the organisations. The purpose of the group is to ensure ongoing collaboration and interaction between the organisations, including in relation to social welfare fraud and tax non-compliance. Both organisations are working together with a view to aligning expertise and information across their operations. The group comprises senior management board members from both organisations. It provides strategic direction on issue of mutual interest and has established a number of working groups to ensure collaborative efforts are directed towards specific issues including that of social welfare fraud and tax compliance.

At an operational level, there are both formal and informal structures at regional and local level where both organisations undertake operations under the aegis of the Joint Investigation Units (JIUs - details below). In addition, regular contact between investigators provides a platform for enhanced intelligence sharing with Revenue inspectors involved in compliance and fraud investigation.

**An Garda Síochána:** There is significant ongoing operational and intelligence contact with An Garda Síochána for the purposes of social welfare fraud investigation. Specifically departmental inspectors are assigned to the Criminal Assets Bureau (CAB) and Garda National Immigration Bureau (GNIB). The Department engages in joint operations with Garda Traffic Units in the context of inter agency vehicle checkpoints. In the case of serious and organised social welfare fraud the Department's Special Investigation Unit seeks advice and operational assistance from the Garda Bureau of Fraud Investigation.

**Commission on Taxi Regulation:** The Department has ongoing contact with the Regulator and undertakes regular joint operations in conjunction with their enforcement officers. The Department has contributed to the review of taxi regulation which envisages a full scale review of the sector and the clean-up of unacceptable practices in the sector. The review will enable the necessary

further reforms of the sector to allow consumers to have confidence in the taxi system while also ensuring that legitimate and competent operators and drivers can be rewarded fairly by operating under a regulatory framework that is adequately enforced.

### Taxi Sector

Since the beginning of the year there has been an investigation with the Taxi Regulator Enforcement Team and Garda Traffic Corps in night time and daylight operations. A total of 8 joint operations have taken place in one region. Checkpoints are mounted at different locations.

In one recent operation over 90 taxi drivers were interviewed. On the spot fines of €250 were handed out by the Taxi Regulator Enforcers to taxi drivers, mainly for operating from illegal taxi ranks. One taxi vehicle was impounded as it was driven by an individual with fake taxi driver documentation & two fake driving licences. The Garda Traffic Corps also caught people on the night for various traffic offences.

Revenue investigated several persons who were renting their vehicle and plate to others without declaring this to Revenue.

There were social welfare issues with a number of cases of those interviewed. These operations are useful for all agencies involved and there is close supportive collaboration between all staff of all agencies. From a public perspective the taxi drivers themselves welcome these operations (even those fined professed to welcome these operations!). The general public see these operations and have more confidence in enforcement activities of state agencies.

**National Employment Rights Authority:** At an operational level there are both formal and informal structures where both organisations undertake operations under the aegis of the Joint Investigation Units. In addition, regular contact between investigators provides a platform for enhanced intelligence sharing with NERA inspectors involved in compliance investigations.

**Health Service Executive and FÁS:** The Department has regular contact and exchanges of information with both the HSE and FÁS, in relation to the control of fraud and abuse. As already stated, it is envisaged that with the amalgamation of the community welfare service and certain FÁS staff into the Department, this will maximise the controls and efficiencies in relation to customers who avail of the services and schemes of these agencies.

**Local Authorities:** At operational level there is enhanced contact and intelligence sharing for the purposes of control of fraud and abuse between the Department and the local authorities. In this regard, inspectors from the

Department will continue to work closely on joint investigations with local authority environmental personnel in the area of illegal sites, waste disposal, recycling, car dismantling and scrap collection where hidden economy activity is prevalent. In addition, in the context of local authority public work projects the Department will work with local authorities to ensure that contractors on such projects are compliant and that social welfare fraud is minimised.

**An Post and the Financial Institutions:** The Department will continue to work closely with An Post and the other financial institutions, who pay customers on behalf of the Department, to ensure the correct persons are receiving the payment, and where fraud or error occurs, that this money is recouped from the institution.

**UK/ Cross Border Co-operation:** There is a Memorandum of Understanding between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland concerning matters of mutual interest in the areas of fraud in their respective social security systems.

The Cross-Border Operational Forum comprises selected investigators from this Department, the Great Britain Department for Work and Pensions and the Northern Ireland Social Security Agency of the Department for Social Development. The Forum's remit is to liaise at an operational level, under the aegis of the Memorandum of Understanding. At an operational level there is ongoing co-operation in both jurisdictions to assist the investigation of cross jurisdictional fraud. Case by case data-matching takes places between the DSP and the DSD in Northern Ireland and the DWP in the UK on cases where social welfare fraud or abuse is occurring.

### Co-operation with UK agencies

Individuals were interviewed by British Customs in August 2011 as they disembarked on their way to Europe to purchase goods for sale at country markets. They disclosed that they earned €700 a week from selling goods at country markets and operating a mobile fast food business. They stated that they were not registered for tax and were drawing social welfare in Ireland.

A comprehensive report was sent by British Customs to Revenue and shared with DSP through the JIU mechanism. Both were Jobseeker Benefit customers. At DSP request Customs interviewed the couple on their return to Ireland and obtained copies of invoices for goods they were transporting. Customs provided a statement regarding this interview to DSP for use as evidence. Both have now been interviewed, under caution, by SIU and will be prosecuted for failure to declare income from self employment and being unavailable for work as they are self employed.

They are also of interest to Revenue for failing to register and pay taxes.

## **Section 7. Hidden Economy**

### **7.1 Overview**

One of the key priorities for the Department is a concerted and active policing of the hidden economy sector where there is a prevalence of social welfare fraud and abuse. The hidden economy activity is not confined to any sized business or to specific sectors. It generally occurs where a business or individual has the opportunity to deal largely in cash.

In conjunction with other agencies and, in particular, with Revenue, the Department tackles the shadow economy by a combination of intelligence collation, assurance checks and outdoor operations including inspections and direct investigations. Policing what is conventionally viewed as hidden economy activity is as much about ensuring a level playing field for compliant businesses as it is about combating social welfare fraud. The Department's control programmes are regularly adjusted to concentrate on the areas of greatest risk, including risks from growth in the hidden economy.

### **7.2 Hidden Economy Monitoring Group**

The Hidden Economy Monitoring Group is a formal structure to monitor developments, share experiences and make proposals for combating the hidden economy. Chaired by the Revenue Commissioners, the Department is an active member of the statutory pillar which also includes the Department of Jobs, Enterprise and Innovation and the National Employment Rights Authority. On the non statutory side, the Group's membership also consists of Irish Business Employers Confederation, Small Firms Association, Construction Industry Federation and Irish Congress of Trades Unions. The group has an agreed work plan and reports annually to the Department of the Taoiseach. Under the Plan, there will be an enhanced focus on engagements with employers and businesses at the local as well as national level. It is important that allegations by businesses of abuse or inappropriate policies are discussed in detail with the Department and remedies brought forward, where possible. In this regard, the proposed seminar on this plan with all stakeholders will be very useful.

### **7.3 Joint Investigation Units (JIUs)**

These units are specifically configured to ensure that an inter agency approach and co-operation takes place jointly to combat hidden economy activity and detect social welfare fraud. These units play a key role in targeting particular types of shadow economy activity in the employed sectors. Work carried out by the JIUs includes monitoring and compliance activity associated with sectors where tax compliance and social welfare fraud and abuse are common.

The Department has with Revenue identified the risk inherent in shadow activity as being a key corporate priority to be tackled. A sectoral approach is being taken with projects and control operations under this initiative focussed on the following:

- Construction sector;
- Trade suppliers;
- Streetscape Projects - A streetscape project consists of a visit to all cash businesses in a street, small town or village to check the quality of records and the consistency between declared income and stock levels. How cash is managed is also reviewed;
- Taxi sector – including the use of inter agency checkpoints and data matching;
- White collar sectors which have the potential to engage in cash transactions;
- Other sectors include markets, casual trading, couriers, clothes recycling, car valeting, security sector, and haulage.

The required joint approach here comprises agility and early response where new fraud/abuse trends are detected.

### **Construction Sector**

In the one region we have developed a joint plan of monthly visits to construction sites, mainly one off single houses in rural areas, targeting specific locations/areas in each county. To date over 400 construction sites have been visited jointly. While operations are hampered by the “started today syndrome”, and by the fact that often no main contractor is involved and workers are paid directly by the house owner, the estimated savings from visits in this sector are over €1 million for DSP. Revenue also has an interest in registering a significant number as self employed.

## **Section 8. Identity Fraud and Public Services Card**

Identity fraud and identity theft are issues with which public bodies are rightly concerned, both in terms of prevention and detection. The Personal Public Service Number (PPS No.) is an individual's unique reference number for dealings with government departments and public bodies. It is necessary to have effective controls around the PPS Number registration process to guard against fraud and to protect the integrity of both the Department's and an individual's data. Evidence of identity is a vital element of the allocation process. Prevention and detection of pre-allocation fraud relies primarily on document examination. Post-allocation audits of application paperwork provide back-up to this process.

In the third quarter of 2011 the Department will begin the phased introduction of the new Public Services Card (PSC). The introduction of the card and the registration process is currently being piloted in a number of local offices in the Department, including Tullamore, Sligo and King's Inn in Dublin. It is anticipated that some 4,000 people will be issued with cards by end of year. Under this plan, roll out of the card will commence in October 2011 and while it will be done as securely and speedily as possible, it will take a number of years to complete. The initial focus will be on roll out to persons of working age. The roll out will be enhanced to the extent that the data of other public agencies (e.g. passport data) can be used. In addition, it is envisaged that other public bodies may be able to act as agents in the registration process; clearly security issues are paramount here. Discussions are currently taking place with a number of public bodies in this regard.

The specification for the PSC provides for a card which is a standard "credit card" size with multiple protection mechanisms to prevent and/or detect tampering with the physical card and its contents. The PSC also incorporates identification features including a biometric photograph and signature thus making it harder for people to use false identities. It contains personal information inscribed on the face of the card for visual inspection and also electronically encoded on the card for access by a secure card reader. This card will act as a key for access to public services in general, identifying and authenticating individuals as appropriate and where required.

The project includes the introduction of enhanced facilities for the registration of an individual's identity. The card will provide public service providers with verification of an individual's identity thus reducing the resources currently required to do so each time a member of the public tries to access a public service while at the same time making it harder for people to use false identities. One of the advantages of the new card is that it will help to reduce fraud and error which result from the incorrect identification of benefit claimants.

From the Department's perspective, as well as combating identity fraud, the PSC will replace cards currently in use, such as the Social Services Card and the Free Travel Card, with a highly secure card. Initially, all PSCs will include a magnetic stripe on the reverse of the card to facilitate payment processing

through the current Post Office network. In time, chip and PIN technology can be utilised to provide even more secure payment provision. A variant of the PSC will also be issued to Free Travel customers which can be used as a contactless pass on the public transport network through the Integrated Ticketing Scheme (ITS) environment or as a flash pass outside the Greater Dublin Area.

## Section 9. Delivery and Performance Indicators

### 9.1 Measurement of control activity:

The effectiveness of control policies and activities are measured on a monthly basis by a range of performance indicators, including fraud and error surveys, number of reviews, number of employer inspections, number and amount of overpayments assessed and recovered, amount of control savings recorded and number of prosecutions.

### 9.2 Fraud and error surveys:

As outlined earlier, fraud and error surveys are an integral part of the Department's control plan. They provide the Department with an indicator of the estimated risk of non-compliance with scheme rules within the specific schemes surveyed to enable the Department to enhance procedures and processes to build control across the relevant schemes. The Department establishes the risk and exposure of fraud and error within its schemes by conducting fraud and error surveys at regular intervals.

The Department is committed to carrying out two fraud and error surveys per year. The proposed medium term programme of surveys to be undertaken over the next 5 years under this plan is set out below. To allow for required flexibility, the position will be reviewed annually. Also additional surveys may be required given specific business needs and emerging trends.

#### **Fraud and Error Survey Plan for Medium Term**

| Year | Month | Scheme   |
|------|-------|--|
| 2011 | May   | One-Parent Family Payment (in progress)                            |
|      | Sept  | Jobseeker's Benefit  |
| 2012 | April | Child Benefit  |
|      | Sep   | Jobseeker's Allowance  |
| 2013 | Apr   | Invalidity Pension   |
|      | Apr   | Illness Benefit*   |
|      | Sep   | Widows/widower's and surviving civil partners contributory pension |
| 2014 | Apr   | Family Income Supplement   |
|      | Apr   | Free Schemes   |
| 2014 | Sep   | Carer's Allowance  |
| 2015 | Apr   | State Pen Non-Con  |
|      | Sep   | State Pen Con  |
| 2016 | Apr   | Disability Allowance   |
|      | Sep   | One-Parent Family Payment  |

*The Illness Benefit cases will be selected from the continuous duration cohort.*

### **9.3 Number of reviews**

These include the number of reviews carried out on the various social welfare schemes every year by all methods including home visit, mail-shots, medical reviews etc. The target for reviews in 2011 is 780,000. The target for future years under this plan will be set later this year in the context of the outturn for 2011 and bearing in mind the requirement to have more focused reviews and project based work based on local intelligence and risk assessment.

### **9.4 Number of employer inspections**

The number of employer inspections finalised, the outcome and how these compare with the target and with previous year's performance is a useful performance indicator. Many employer inspections are carried out in conjunction with other agencies. The provisional target for number of employer inspections in 2012 and 2013 is in the region of 2,500 to 3,500 each year. These inspections have a good demonstration effect and are broadly welcomed by the business community. Again, these will be better targeted and based on national and local knowledge.

### **9.5 Value of Control Work in Department and Control Targets**

Control savings arise as a result of control activity on claims in payment and from inspections of employers. These activities also have deterrent or knock on effects. Control savings measure the value of the various activities and are a good indication of how much social welfare expenditure would increase over time if this investigative/control work did not take place. Control savings are not actual monies recovered by DSP but are an estimate of future expenditure that is avoided. The value of the work (some €540 million in 2011 terms) is already built into the estimates and is seen as core control work. This target is monitored on a monthly basis at scheme and regional level.

The provisional target for control savings for 2012 is in the region of €625 million. The targets for control savings, reviews and employer inspections will be finalised later in 2011 and will be influenced by a range of factors including the prioritisation of high risk sectors.

## Appendix 1: Control Principles

There is no contradiction between exercising fraud control and delivering quality service as both are components of good customer service. Everyone involved in the administration of the various social welfare schemes should be aware of the need to implement appropriate controls at every stage of the process. This Plan will ensure that the level of staff awareness regarding control procedures and practices, across all areas of the Department, including the new integrated National Employment and Entitlements Service is strengthened. It will ensure that the control process is an integral part of the day-to-day operations and work procedures of all staff in the Department. There should be a high level of control awareness on the part of customers, in that they should know that:

- correct identification and documentation will be required;
- they may be subject to further checking at any stage of their claim; and
- they should report any change in circumstances which may affect their claim.

Accordingly, the key principles underpinning this plan are:

- **Prevention:** To prevent social welfare fraud entering the social welfare system. Having systems and procedures in place to prevent and minimise the risk of incorrect payments and fraud.
- **Detection:** Where social welfare fraud occurs to develop our capabilities to identify and stop it as soon as possible. Ensuring that the public is aware of the risks and consequences of defrauding the system and dealing decisively with cases of fraud and abuse where detected.
- **Deterrence:** Where social welfare fraud is uncovered that sanctions are applied to those responsible. In addition, this plan is designed at reinforcing the rights and responsibilities of customers as well as improving public perceptions about the security of the social welfare system.
- **Recovery & Debt Management:** Where social welfare fraud is committed the effective and timely recovery of associated overpayments is imperative.
- **Measurement of Outcomes:** A system for the oversight and measurement of fraud control activity will be put in place in the context of the plan. This will incorporate reviewing and improving procedures where and when necessary.

## Appendix 2: Actions under the Fraud Initiative

| Issue                       | High Level Actions  | Indicators  |
|-----------------------------|---|---|
| Reduction of Complexity     | <ul style="list-style-type: none"> <li>▪ Integrate fraud and control activities of Community Welfare Service, FÁS &amp; DSP to achieve greater efficiencies and effectiveness in the delivery controls across all social welfare schemes.</li> <li>▪ Progress introduction of working age payment.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Completion of integration process.</li> <li>▪ Joint outcomes of integrated control activities.</li> <li>▪ Payments streamlined</li> <li>▪ No new differences between social welfare payments introduced</li> </ul> |
| Increase customer awareness | <ul style="list-style-type: none"> <li>▪ Ensure customers are regularly reminded of conditions for receipt of benefits/allowance.</li> <li>▪ Ensure consequences of fraudulent activity and sanctions are actively publicised.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Number of customer reviews undertaken and completed.</li> <li>▪ Numbers of reviews and customer interventions completed.</li> </ul>  |
| Social norms & behaviour    | <ul style="list-style-type: none"> <li>▪ If feasible, commission a research study on social welfare fraud and the factors influencing it and incidence of fraud levels.</li> <li>▪ Continue to undertake fraud and error surveys in a systematic way</li> </ul>   | <ul style="list-style-type: none"> <li>▪ New ways of communicating to customers</li> </ul>  |
| Risk Assessment             | <ul style="list-style-type: none"> <li>▪ Research &amp; identify best practice risk models</li> <li>▪ Develop systematic risk profiling and assessment systems for relevant schemes</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Research findings and recommendations</li> <li>▪ Number of risk assessments completed and implemented</li> </ul>   |

| Issue                                    | High Level Actions   | Indicators   |
|--|--|--|
| Direct Mailshots                         | <ul style="list-style-type: none"> <li>▪ Undertake systematic direct mailshots to customers to validate entitlement.</li> <li>▪ Ensure consequences of fraudulent activity and sanctions are actively publicised.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Number of mailshots issued and customer contacts made.</li> </ul>   |
| Reviews of Medical Eligibility           | <ul style="list-style-type: none"> <li>▪ Undertake systematic medical reviews of entitlement in selected cases.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Number of reviews undertaken and detections</li> <li>▪ Control outcomes and savings generated</li> </ul>        |
| Reviews of Suspected Non Residency cases | <ul style="list-style-type: none"> <li>▪ Undertake systematic reviews of suspected non residency cases</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Number of reviews undertaken</li> <li>▪ Control outcomes and savings generated</li> </ul>                       |
| Reporting Social Welfare Fraud           | <ul style="list-style-type: none"> <li>▪ Ensure that easy access channels both online and phone are available to citizens who wish to report incidences of welfare fraud</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Number of triggers that instigate an investigation</li> <li>▪ Control outcomes and savings generated</li> </ul> |
| Identity & Payment                       | <ul style="list-style-type: none"> <li>▪ Phased roll out of the Public Service Card starting in 3<sup>rd</sup> quarter of 2011.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Number of cards issued and number of suspect identity cases referred for investigation.</li> </ul>              |
| Data Matching                            | <ul style="list-style-type: none"> <li>▪ Undertake systematic and regular data matching exercises on both internal systems and with external agencies and explore possible new sources of data matching.</li> </ul>          | <ul style="list-style-type: none"> <li>▪ Number of reviews undertaken and detections</li> <li>▪ Control outcomes and savings generated.</li> </ul>       |

| Issue                             | High Level Actions  | Indicators   |
|-----------------------------------|---|--|
| Employer Inspections              | <ul style="list-style-type: none"> <li>▪ Undertake targeted comprehensive employer inspection programme</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Number of inspections completed and outcomes achieved</li> </ul>  |
| Activation & Control Teams (ACTs) | <ul style="list-style-type: none"> <li>▪ Enhance Activation &amp; Control Teams and membership of these across Regional network</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Number of Control Teams and outcomes of their activity.</li> </ul>  |
| Fraud & Error Surveys             | <ul style="list-style-type: none"> <li>▪ Undertake fraud and error surveys for 2 schemes per year</li> </ul>  | <ul style="list-style-type: none"> <li>▪ 2011 – Completion of surveys on One Parent Family and Disability Allowance</li> <li>▪ 2012 - 2013 Schedule of surveys as at section 9.2</li> </ul>  |
| Debt Recovery (overpayments)      | <ul style="list-style-type: none"> <li>▪ Increase debt recovery through a range of measures including:</li> <li>▪ Examining the potential for increases in the amounts to be recovered in respect of DSP debts from ongoing social welfare payments.</li> <li>▪ Increasing the number of cases being referred for civil proceedings to recover debt.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Increased levels of debt recovery acting as a deterrent to fraudulent claiming</li> <li>▪ Amounts being deducted from social welfare claims in respect of DSP debts</li> <li>▪ No. of civil cases being taken.</li> </ul> |
| Legal Proceedings                 | <ul style="list-style-type: none"> <li>▪ Submit appropriate cases for legal proceedings.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Number of cases referred for legal proceedings and sentencing outcomes</li> </ul>   |

| Issue                              | High Level Actions  | Indicators   |
|------------------------------------|---|--|
| Legislation                        | <ul style="list-style-type: none"> <li>▪ Consider further control proposals for legislative change in future Social Welfare Bills.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Enactment of legislative provisions</li> <li>▪ Legislative control provisions 2012-2013.</li> </ul>   |
| Monitoring Hidden Economy Activity | <ul style="list-style-type: none"> <li>▪ Implement agreed work plan of Hidden Economy Monitoring Group</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Outputs from group and completion of work plan</li> </ul>   |
| Hidden Economy Joint Investigation | <ul style="list-style-type: none"> <li>▪ Undertake joint Hidden Economy compliance activity including               <ul style="list-style-type: none"> <li>- Cash businesses</li> <li>- Taxi Sector</li> <li>- Construction sector</li> <li>- Streetscape projects</li> <li>- Specific sectors</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ No. of inspections completed and compliance outcomes</li> <li>▪ No. of detections made</li> <li>▪ No. of checkpoints and outcomes</li> <li>▪</li> </ul> |
| Information Sharing                | <ul style="list-style-type: none"> <li>▪ Enhance information sharing for the control               <ul style="list-style-type: none"> <li>- Commencement of employment</li> <li>- Tax relief at source</li> <li>- Earnings data</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>▪ Effective sharing of data for control purposes</li> <li>▪ No. of cases reviewed</li> <li>▪ Savings as a result of this data</li> </ul>                  |
| SIU Control Activity               | <ul style="list-style-type: none"> <li>▪ Generate control savings per agreed target</li> <li>▪ Comprehensively undertake reviews' cases of suspected social welfare fraud</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Target vs. outcomes</li> <li>▪ Number of reviews undertaken &amp; detection levels</li> </ul>   |

| Issue                                    | High Level Actions  | Indicators  |
|--|---|---|
| SIU Operations & National Fraud Projects | <ul style="list-style-type: none"> <li>▪ Undertake operations and national projects in the following targeted areas:               <ul style="list-style-type: none"> <li>-Concurrent working &amp; claiming</li> <li>-Hidden Economy</li> <li>-Multiple claiming</li> <li>-Non residency</li> <li>-Reviews of disability/illness payments</li> <li>-Inter agency Checkpoints</li> <li>-Non residency</li> <li>-Site visits and employer inspections</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ Number of reviews undertaken and detections made</li> <li>▪ Control outcomes and savings generated</li> <li>▪ Completion and outcomes and yield from national projects</li> <li>▪ Number of site visits and employer inspections undertaken</li> </ul> |
| SIU Prosecutions                         | <ul style="list-style-type: none"> <li>▪ Target serious fraud cases for prosecution</li> <li>▪ Refer multiple claiming cases for prosecution by An Garda Síochána</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Number of cases prosecution and sentencing outcomes</li> <li>▪ Number of cases prosecution and sentencing outcomes</li> </ul>  |
| Public Services Card                     | <ul style="list-style-type: none"> <li>▪ Phased Rollout of Public Service Card over a number of years beginning in the 3<sup>rd</sup> quarter of 2011</li> <li>▪ Engagement with other public bodies on rollout</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Number of cards issued per quarter under phased rollout.</li> </ul>  |
| Delivery & Performance Indicators        | <ul style="list-style-type: none"> <li>▪ Achieve control savings target of €540 in 2011 and €625m in 2012.</li> <li>▪ Reviews of entitlement and eligibility in 780,000 cases in 2011 and more targeted reviews in 2012 and 2013.</li> <li>▪ Inspect 2,500-3,500 employers each year to check compliance in 2012-2013</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Savings target vs. outcomes</li> <li>▪ Number of reviews completed and outcomes or yield</li> <li>▪ Number of employer inspections carried out</li> </ul>  |

### Appendix 3: Examples of Staff suggestions to Combat Fraud

The following is a selection of proposals/comments that were put forward by staff at recent regional seminars of the Department, the Community Welfare Service and FÁS. These will be examined as part of the current initiative.

- Develop the Department's website to promote awareness and understanding of social welfare fraud and of customer's obligations to notify and report changes in circumstances.
- Develop an awareness campaign on social welfare fraud that highlights the fact that it is not a victimless crime.
- Ensure that all debts that arise from social welfare fraud are efficiently recovered. In the case of repeat offenders there should be specific sanctions.
- Introduce measures through the taxation system that incentivise legitimate trading, minimise cash transactions and hidden economic activity. This approach has been used in other countries e.g. Finland - where they introduced tax credits for purchasers of certain services to deduct a proportion of cost through the taxation system, thereby providing an incentive to engage trades people and businesses who are legitimate and compliant.
- Ensure a greater use of IT resources within the Department to develop systems to combat social welfare fraud, especially through data matching.
- Ensure that identity checks are undertaken at payment centres (e.g. Post Offices and Banks)
- Prioritise and accelerate the rollout of the Public Services Card and include a biometric feature. If changes in circumstances occur, customers should be able to text "change" to a specific number and receive a call-back on their mobile from the Department to confirm what change has occurred.
- Everyone should be afforded the opportunity to notify commencement of work by texting a central office before 10.00am on the day of commencement. A separate texting arrangement should be made for those notifying a few days work i.e. texting the number of days to the same text facility so their payments are automatically adjusted. You can pay for on street parking in this manner why not utilise the same technology?
- Change the structure of payments so that all those of working age are better off working than in receipt of social welfare.

- Some social welfare payments are badly targeted from a policy perspective.
- Remove the disincentives to take up employment that exist for some people.
- Organise local action days and projects where high risk sectors are targeted in specific areas. This would provide a visible presence and co-ordinated response to fraud control and prevention.