

# Appendix 1

## **Corporate Anti-Fraud Team (CAFT) Annual Report: 1 April 2021 – 31 March 2022**

# EXECUTIVE SUMMARY

This report is to provide a summary on the outcome of all CAFT work undertaken during 1 April 2021 to 31 March 2022 and represents an up-to-date picture of the work undertaken, including CAFT progress and outcomes set against the objectives as set out in our annual strategy and work plan.

All CAFT work is conducted within the appropriate legislation and through the powers and responsibilities as set out within the financial regulations section of the Council's constitution. CAFT supports the Chief Finance Officer (and Section 151) Officer in fulfilling their statutory obligation under section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption. It supports the Council's commitment to a zero-tolerance approach to fraud, corruption, bribery, and other irregularity including any Money Laundering activity.

This last year was impacted by the enforced working conditions brought about by the Covid-19 pandemic, which restricted CAFT investigations with officers having to work from home. This meant that officers were unable to carry out formal PACE interviews, take witness statements or visit suspected offenders in their home addresses. To counteract these restrictions CAFT officers carried out more "desk based" investigations and duties as well as modify the way we engaged with the members of the public. In addition to this the UK Courts suspended cases being heard and prioritised only the most serious cases where hearings were essential.

As the Covid-19 restrictions began to lift in September 2021, CAFT gradually returned to business as usual and have recommenced carrying out home visits and face to face interviews, both in the community and in the dedicated interview rooms in Colindale.

Despite these challenges the **Corporate Fraud Team** investigated **152** cases of alleged fraud. These investigations led to **1** criminal prosecution, **2** formal cautions and **26** cases where financial recovery totalled **£110,558** (these 26 cases related to Covid-19 business grants, direct payments, Adult Social care payments and Council Tax).

In addition to the above and as a direct result of CAFT verification processes **18** Covid 19 grant applications were denied due to information discrepancies thereby. Saving the public purse **£123,650** CAFT will continue to work closely with the Finance unit to offer assurance against the Covid-19 Grant scheme and are currently undertaking both pre-payment checks and a post assurance exercise, to confirm that funds were paid correctly relating to the Omicron Grants

**6** school admissions places were denied due to false information being supplied.

**2** Administrative penalties were issued relating to Council Tax Reduction offences.

CAFT officers also conducted an internal investigation which resulted in disciplinary action being taken against **5** members of staff.

The **Concessionary Travel Fraud** Team has investigated **279** cases of alleged Blue Badge misuse this year as well as parking permits fraud and fraudulent appeals relating to penalty charge notices (PCNs). These investigations resulted **6** Prosecutions, **29** Cautions being administered and **50** warning letters. **21** Blue Badges were seized from offenders. In addition to these, there are several cases that are currently being progressed to formal interviews and legal actions.

The team has also put in a place a new working protocol with Parking Services to ensure that every PCN, issued against a Blue Badge and subsequently appealed, is given assurance that the badge was not being misused in the first instance.

The **Tenancy Fraud team** has continued to work in challenging conditions this year, however they have still investigated **619** cases, and which includes the verification of all housing Applications received by Barnet Homes. These investigations led to **4 formal** Prosecutions for illegal subletting and resulting in CAFT recovering **£22,500** in compensation against the cost paid for Temporary accommodation. **6** Homeless persons applications for housing, and **4** mutual exchange applications were denied. In addition to this, Tenancy Fraud officers recovered **14** properties this year bringing those properties back into the Council's Housing Stock and saving on the costs of Temporary

accommodation. Other cases continue to progress, as the ability to carry out home visits and interview suspected offenders returns to normal.

There have been **17 Financial (Proceeds of Crime) Investigations** carried out this year. **12** of these are on-going and recovery of confiscation orders continues. **3** cases were concluded as the full Proceeds were recovered. This year **£177,273.18** has been received via the PoCA incentivisation Scheme (see breakdown below in financial section).

In addition to the specialist Financial investigative role, CAFT continue to provide advice and support to every aspect of the organisation including its partners and contractors. This advice varies between fraud risk, prevention and detection, money laundering and other criminal activity as well as misconduct and misuse of public funds. Some of the matters will progress to criminal investigation and others will not, but in all cases appropriate actions, such as disciplinary or recovery action is taken. It is this element along with the 'preventative – deterrent' nature of the CAFT work that is hard to quantify statistically but where possible we have done so in the performance indicators section of this report.

### **National Fraud Hub**

In February 2022 CAFT joined the Cabinet Office National Fraud Hub. , This allows local authorities within the scheme to upload data into the NFI system to match against other authorities and data sets held within the system to produce potential fraud matches, similar to the NFI process however it gives authorities far greater freedom to select which data they wish to focus on and the ability to produce matches on a far more frequent basis. This Fraud Hub will be run In addition to the main National Fraud Initiative which continues to run every 2 years.

### **International Fraud Awareness Week - 15 – 19 November 2021**

This is a proactive week of action where the work of counter fraud officers is publicised, and advice given to staff as well as members of the public to assist with any concerns they may have. CAFT Officers were assisted by Community Safety Officers in a joint effort to combat fraud and other offences and raise awareness.

On street Blue Badge Operations were carried out during '**International Fraud Awareness Week**' in November 2021 in the areas of Hendon, West Hendon, Burnt Oak, Edgware, High Barnet & Underhill, Golders Green, Childs Hill, Finchley, and Mill Hill. These areas were targeted as intelligence suggested that they were areas with high usage of blue badges. During these Operations in excess of 200 blue badges were checked resulting in **47** new blue badge investigations. **5** of these badges were seized and **14** Penalty Charge notices (PCN) were issued. Out of the **47** cases identified, **34** related to misuse of a valid badge, **6** related to lost or stolen badges, **2** related to the use of a deceased persons badge, **3** were expired badges and **2** related to the use of counterfeit badges.

As well as carrying out Blue Badge Operations throughout the week with police, CAFT officers set up information stalls at the Broadwalk Shopping Centre in Edgware, at The Spires Shopping Centre in High Barnet and Brent Cross Shopping Centre. CAFT officers were joined at these locations by colleagues from the Community Safety Team where advice was given as well as promotional items such as post-it notes, and pens being distributed to members of the public as well as leaflets.

CAFT Officers carried out tenancy audits throughout the week visiting **340** properties to ensure the correct tenants were in occupation. This covered three different areas, Barnet, EN5, Cricklewood, NW2 and Edgware, HA8, these areas were chosen to coincide with Blue Badge Operations in the same area. As well as these visits, leaflets advising members of the public on how to spot and report tenancy fraud were handed out through letterboxes and placed in communal blocks and in libraries. As a result of these visits **3** cases were opened due to suspected subletting and a further **5** cases due to non-residency. Further to this, **3** cases were referred to the Community Safety Team for other offences relating to fly-tipping and Anti-Social Behaviour issues.

During this week CAFT also promoted the new E-learning fraud awareness training that staff are required to complete.

## Other information reported as per requirements of policy.

Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).	<b>4 this Year.</b> This statistic is reported for information purposes in accordance with our policy and statistical return to the Office of Surveillance Commissioners.
Number of referrals received under the council's whistleblowing policy.	<b>5 this Year</b>

Despite the impact of the Covid-19 pandemic, we are confident that CAFT will continue to provide an efficient value for money counter fraud service and has demonstrated that it is able to successfully investigate all types and levels of fraud referrals to an appropriate outcome.

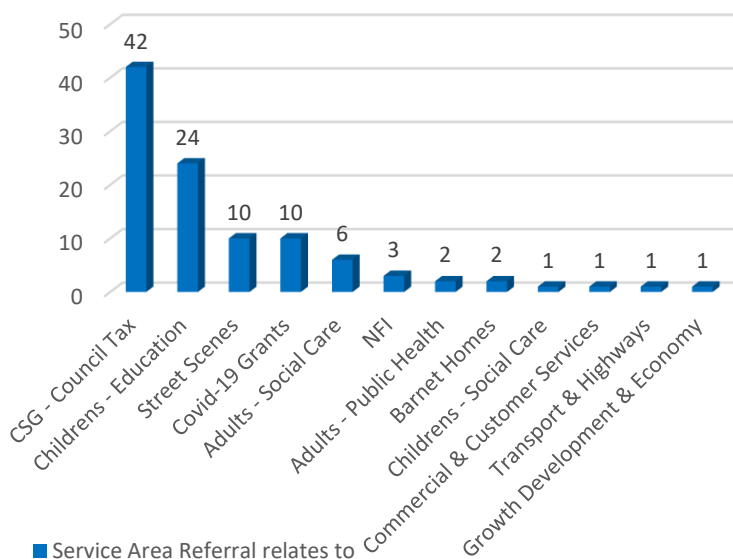
# CORPORATE FRAUD

There have been **152** cases dealt with in 2021-22 relating to Fraud against services provided by the Council or within Service Areas

**49** cases carried forward from 2020-21 **103** New referrals received in 2021-22

**133** cases were closed in 2021-22 **19** on-going investigations

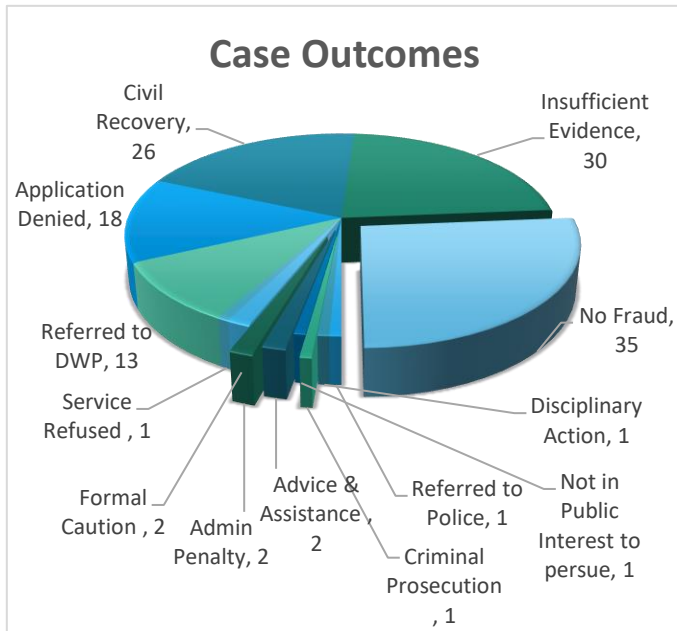
## New Referrals received in 2021-22



The highest area of new referrals this year related to Council Tax with **40.7%** of investigations in this area. The majority of these cases are as a result of NFI matches. The second highest area was in Children's Education with **23.3%** of cases which predominantly related to School Admissions allegations

There was an overall **28.8%** increase in all cases dealt with in Corporate Fraud compared to last year despite an **80% decrease** in Covid-19 Grant related cases as we come out of the Pandemic.

## Closed cases in 2021-22




**26** Closed Civil Recovery (Total £110,558.35)

**18** Application denied (£123,650 in Covid Grants prevented & 6 School Admission places denied)

**2** Administrative Penalties issued (total £1,045.91)

**2** Formal Cautions

**1** Service Refused (£11,255.79 in Direct Payments refused)

**1** Criminal Prosecution (see noteworthy cases) 

**1** Disciplinary action taken against five employees because of a CAFT Investigation (Refer to noteworthy cases)

**30** Insufficient Evidence

**35** No Fraud

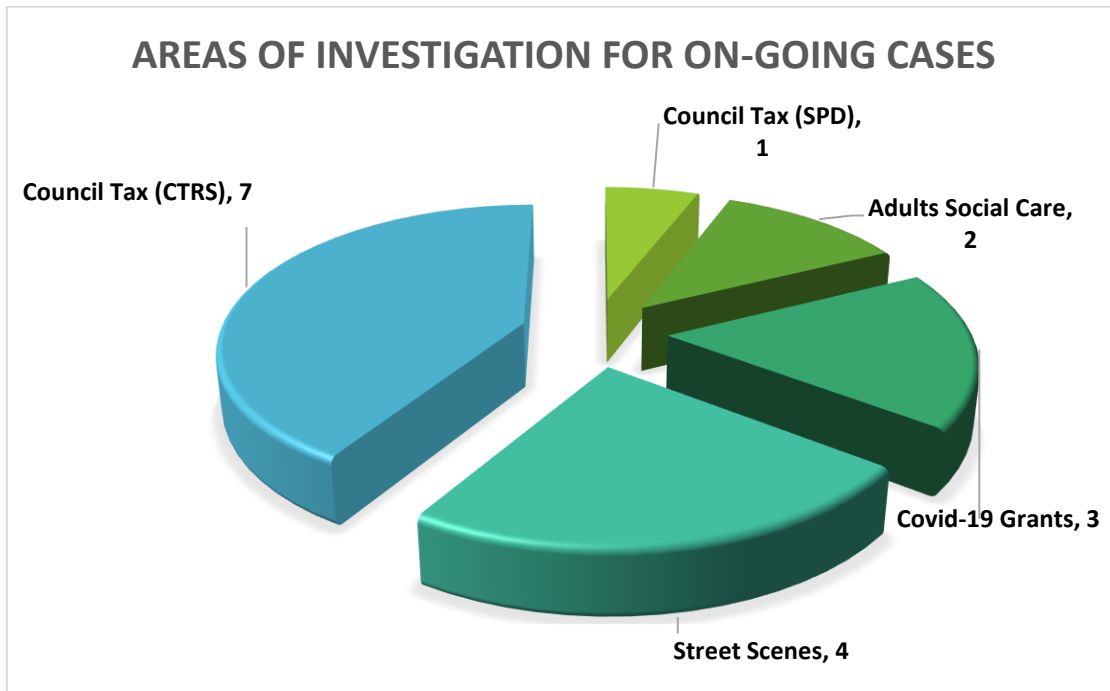
**13** Referred to DWP

**2** Advice & Assistance given to other departments

**1** Referred to Police

**1** Not in the public interest to pursue

## On-going investigations



- 7 Council Tax (CTRS)
- 4 Street scenes
- 3 Covid-19 Grants
- 2 Adult Social Care
- 1 Council Tax (SPD)
- 2 Children's - Education

## Noteworthy Corporate Cases

**Case 1** – A business owner made false applications for two separate Covid 19 grants that had been of £25,000 and £10,000. One was a Small Business Grant and the other a Discretionary Business Support Grant available due to the pandemic. Mr G also owned another business that was legitimately trading. The use of the same documents for both grants with alterations made to the documents were submitted in an attempt to claim funding for another premises which he owned, which he claimed was trading. Invoices and profit and loss accounts had been altered to make it appear that both restaurants were trading. He claimed at interview that the premises was operating, but as a takeaway only. The case was highlighted as being potentially fraudulent due to stringent pre-payment checks carried out in conjunction with Barnet Council's Business Rates team who had concerns due to the property being marked as empty. The Corporate Anti-Fraud Team carried out a visit to both premises and gathered evidence from witnesses, and analysed documentation to show that the documents supplied in support of the applications had been altered. Due to the suspected fraud, payment was

withheld. Mr G pleaded guilty to five counts of fraud at Willesden Magistrates Court on 27 January 2022 and was fined **£2,400**.

**Case 2** – Mrs X had made an application to the London Borough of Barnet for Financial assistance for her mother’s care. The CAFT investigation found that she had failed to declare her parent’s savings held in an offshore bank account. The savings held meant that her mother was not entitled to the full cost of care provided and resulted in **£4,623.43** being identified as wrongfully paid by the Council due to the failure to declare her mother’s true circumstances. This amount is currently being recovered. The investigation has also prevented further costs that potentially could be paid out wrongfully as the service user is required to pay for the majority of her own care provision using funds held abroad.

**Case 3** – A referral had been received alleging that Barnet refuse operatives had been loading excess waste for a business in exchange for items of value. The business owner had left large amounts of excess trade waste outside his shop. CCTV evidence was collected from the refuse lorry showing the crew loading up large amounts of excess waste which was not in accordance with the Trade Waste Agreement in place with the business over a period of two months. CAFT Officers attended the business premises and had witnessed excess waste being collected. Three members of staff were interviewed by CAFT Investigators which was used to assist a disciplinary case against them. After a full investigation, the evidence collated was passed to the Street Scenes Department to pursue disciplinary proceedings against them. **Two** employees had resigned during the disciplinary proceedings, and **one** had received a written warning. A further **two** temporary agency workers involved in the above offending had resigned following this investigation. As a result, the businessowner also received a caution for disposing of his waste contrary to the Environmental Protection Act and had paid £250 costs. A new Trade Waste Agreement has been assessed and the business now the appropriate agreement in place for his waste requirements, generating an extra income of **£1,045.62** per year to the London Borough of Barnet.

**Case 4** - A business owner had received £10,000 in Covid-19 business grant funding for his food takeaway shop. A CAFT investigation found that he had not been trading at the premises during the period stated and had started trading after the eligibility date of 11 March 2020. Evidence found that information had been withheld and false representations had been made to secure the funding. Mr T was interviewed under caution with the assistance of an interpreter and claimed that a friend had applied on his behalf as he did not speak or write in English, and he had thought he was entitled and claimed to be unaware that the information supplied was false. Investigations to track down the friend were unsuccessful. Due to the level of evidence required to prove that Mr T had acted dishonestly, the case against Mr T could not pursue to criminal prosecution, however the investigation resulted in the £10,000 being identified for recovery. The matter has been passed to the business Rates Department.

**Case 5** - Mr R had applied to a Barnet Secondary school for his son to attend, providing evidence of residency within the catchment area. As part of a review of applications made, working in conjunction with School Admissions and the school, this application was highlighted as suspicious. The CAFT investigation found that Mr R had supplied a counterfeit Tenancy Agreement and had changed his driving licence to make it appear that he was residing in the Borough. Mr R and his son lived outside of the Borough and therefore did not meet the requirements to attend the school. The application was denied.

**There were a further 5 school admission cases with similar outcomes**

**Case 6** – Mr P was receiving a reduction in his Council Tax due to being unemployed. The National Fraud Initiative (NFI) highlighted that Mr P held a taxi licence. Proof of income was requested which found that he had started work as a taxi driver in June 2020 and had failed to promptly notify the Council of this change. This resulted in an under payment of council tax of **£832.64**. He received an Administrative Penalty of **£416.32** due to an offence of failing to declare a change contrary to The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013. The council Tax department are recovering the under payment from the resident.

# CONCESSIONARY TRAVEL FRAUD

This section details the investigation of Blue Badge Misuse, Blue Badge, Parking permits fraud and fraudulent appeals for Penalty Charge Notices (PCN's). Blue Badges can only be used by the named badge holder, or by a person who has dropped off or is collecting the badge holder from the place where the vehicle is parked. It is a criminal offence for anyone else to use a Blue Badge in any other circumstances.

There have been **279** cases dealt with in 2021-22 relating to Concessionary Travel Fraud

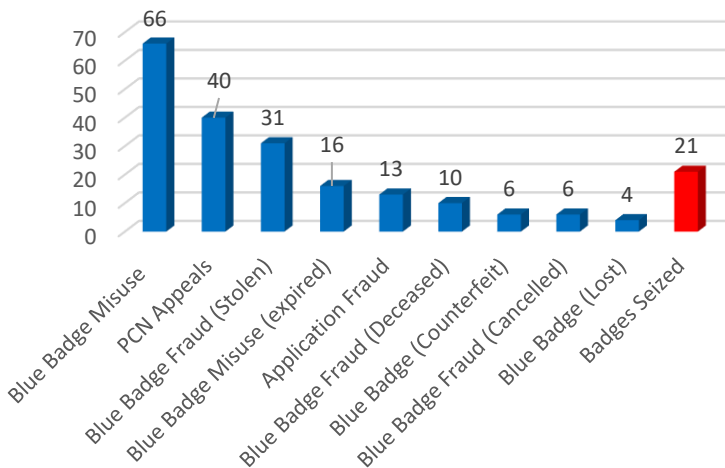
**88** cases carried forward from 2020-21

**191** New referrals received in 2021-22

**165** cases were closed in 2021-22

**114** on-going investigations

## New Referrals received in 2021-22



**34.5%** of cases relate to Blue Badge misuse, this is where a valid badge is being misused in the holder's absence by someone known to

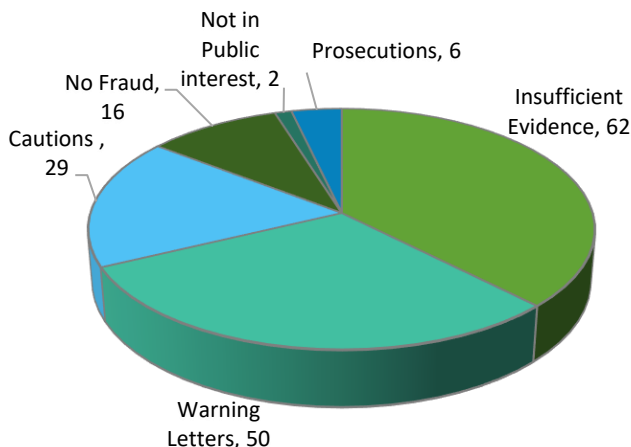
**21.5%** of referrals in 2021-22 related to the use of stolen, lost, and counterfeit Blue Badges

**16.5%** related to the use of cancelled, expired, and deceased persons badges

**27.5%** related to PCN Appeals and application Fraud

**21 Blue Badges** were seized from offenders

## Closed cases in 2021-22



## Outcomes

**6** Prosecutions  \* refer to noteworthy cases

**29** Cautions 

**50** Warning Letters 

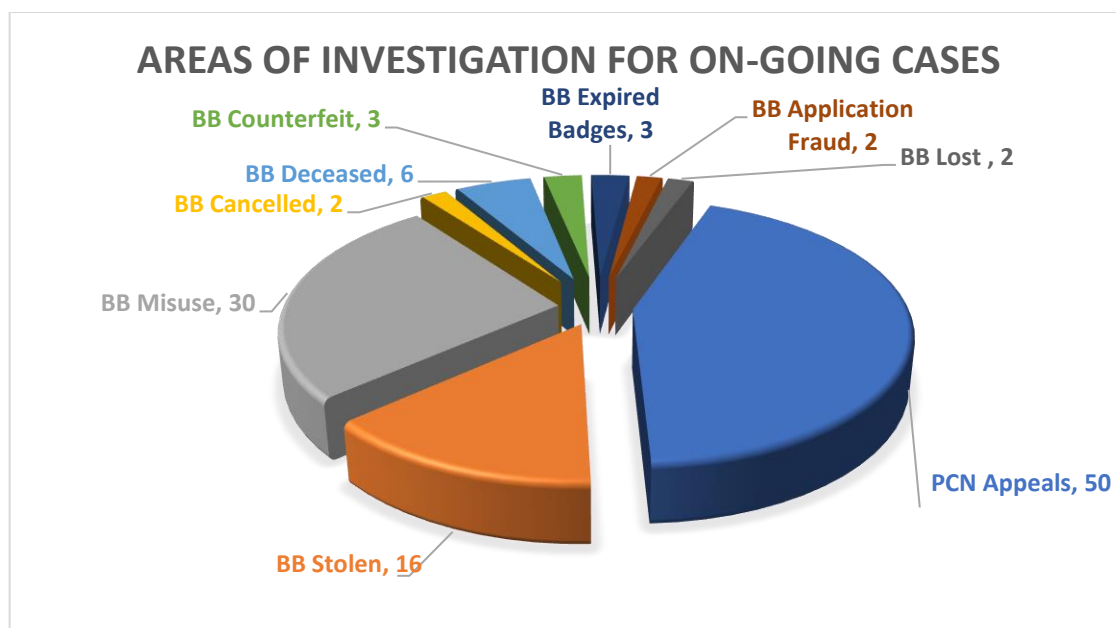
\* Where the circumstances of the misuse are such that criminal sanction is not appropriate, an example would be a badge holder using their own expired badge whilst waiting for a new badge to be issued

**62** Insufficient Evidence

**16** No Fraud

**2** Not in the public interest to pursue

## On-going investigations



50 PCN Appeals

16 BB Stolen

30 BB Misuse

2 BB Cancelled

6 BB Deceased

3 BB Counterfeit

3 BB Expired Badges

2 BB Lost

2 Application Fraud

**4** cases are currently with Legal services awaiting prosecution action. **1** relates to the use of a counterfeit badge, **1** relates to a stolen badge, **1** relates to misuse and **1** relates to a lost badge

### Simple Cautions (previously known as Formal or Police Cautions)

*The aims of the simple caution scheme are:*

*To offer a proportionate response to low-level offending where the offender has admitted the offence.*

*To deliver swift, simple, and effective justice that carries a deterrent effect.*

*To record an individual's criminal conduct for possible reference in future criminal proceedings or in criminal record or other similar checks.*

*To reduce the likelihood of re-offending.*

*To increase the amount of time police/investigation officers spend dealing with more serious crime and reduce the amount of time officers spend completing paperwork and attending court, whilst simultaneously reducing the burden on the courts.*

### 29 Simple Cautions were administered by the Concessionary Travel Team in 2021-22

Following investigative interviews under caution, the circumstances of these cases allowed CAFT to consider them to be dealt with by way of the administration of a Simple Caution. All of the cases that were cautioned related to instances of straight forward misuse that took place. These include situations where errands were being run by family members on behalf of the badge holder such as the collection of medication or food. The offenders stated that they had the badge holder's permission and believed that the badge could be used for such action. However, when the Blue Badge scheme was explained to them, they realised that their actions fell outside of what was permitted. In such cases and in accordance with our policy the council can issue a simple caution rather than pursue the matter through the courts.

### **Noteworthy Concessionary Travel Cases**

**Case 1**- relates to the use of a counterfeit disabled badge originally belonging to a family member. Further investigation revealed that the badge holder had passed away approximately a year prior. The offender admitted to the misuse of a blue badge but stated she had no knowledge the badge was counterfeit. The offender attended Willesden Magistrates Court and pleaded guilty of wrongful use of a disabled badge contrary to section 117 of the Road Traffic Regulation Act 1984, she was sentenced to a fine of £600, ordered to pay costs of £761.57 and a victim surcharge of £60.



**Case 2-** relates to the misuse of a deceased family member's disabled badge. The offender failed to attend interviews under caution and failed to attend at Willesden Magistrates Court on 7 October 2021 and was found guilty in absence to wrongful use of a disabled badge contrary to section 117 of the Road Traffic Regulation Act 1984 and was sentenced to a fine of £1000, ordered to pay costs of £689.61 and a victim surcharge of £90.

**Case 3** - relates to the use of a stolen disabled badge. The offender admitted to the misuse at interview after initially blaming his friend. He attended Willesden Magistrates Court on 17 February 2022 and pleaded guilty to wrongful use of a disabled badge contrary to section 117 of the Road Traffic Regulation Act 1984 and was sentenced to a fine of £120, ordered to pay costs of £100 and a victim surcharge of £3.

**Case 4** - relates to the use of a stolen disabled badge. The offender gave a pre-prepared statement at the interview claiming that someone he knows rents out their blue badge for £15 per day and so he did this to avoid getting any penalty charge notices and answered no comment to any further questions. On 24 February 2022 at Willesden Magistrates Court the defendant did not attend and was found guilty in absence to the wrongful use of a disabled badge contrary to section 117 of the Road Traffic Regulation Act 1984 and was sentenced to a fine of £660, ordered to pay costs of £618 and a victim surcharge of £66.

**A further 2 cases were brought before the courts with similar outcomes**

# TENANCY FRAUD

The Tenancy Fraud team prevent, identify, investigate, deter, and sanction persons that commit Tenancy Fraud in Barnet, ensuring a maximum return of properties back to the Council and Social Housing Partners where Tenancy Fraud has been proven.

There have been **619** cases dealt with in 2021-22 relating to Tenancy Fraud

**140** cases carried forward from 2020-21

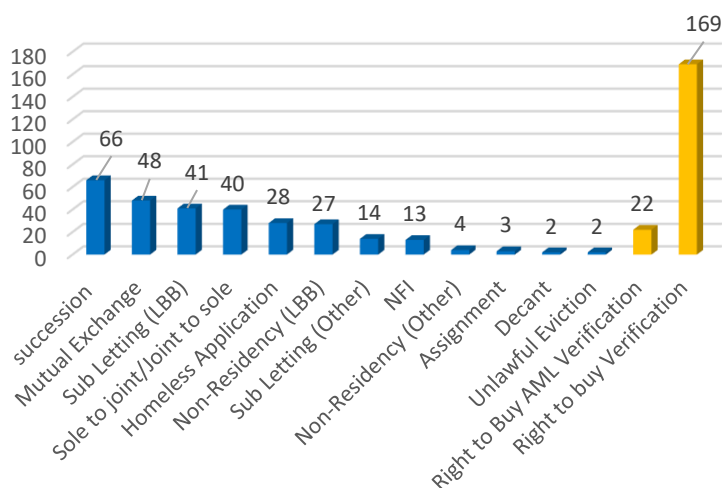
**310** New Fraud referrals received in 2021-22

**169** Right to buy applications for verification

**516** Cases were closed in 2021-22

**103** on-going investigations

## New Fraud Referrals / Verification Requests received in 2021-22



The level of new referrals and application verifications has increased by **25%** from last year

New fraud referrals (excluding RTB verifications) this year were most prevalent in Colindale, Burnt Oak and Child's Hill wards with **29.8%** of new Fraud referrals in these areas

## Closed cases in 2021-22

3 Prosecution 

3 Properties recovered Civil /Criminal actions

11 Properties Recovered (Keys Returned)

2 Formal Cautions

15 RTB Applications denied

4 Mutual Exchange denied

6 Homeless Applications denied

4 Succession Applications denied

3 Referred to other areas

20 Insufficient Evidence

107 Applications verified

118 Right to Buy Applications Verified

1 Assignment Application denied

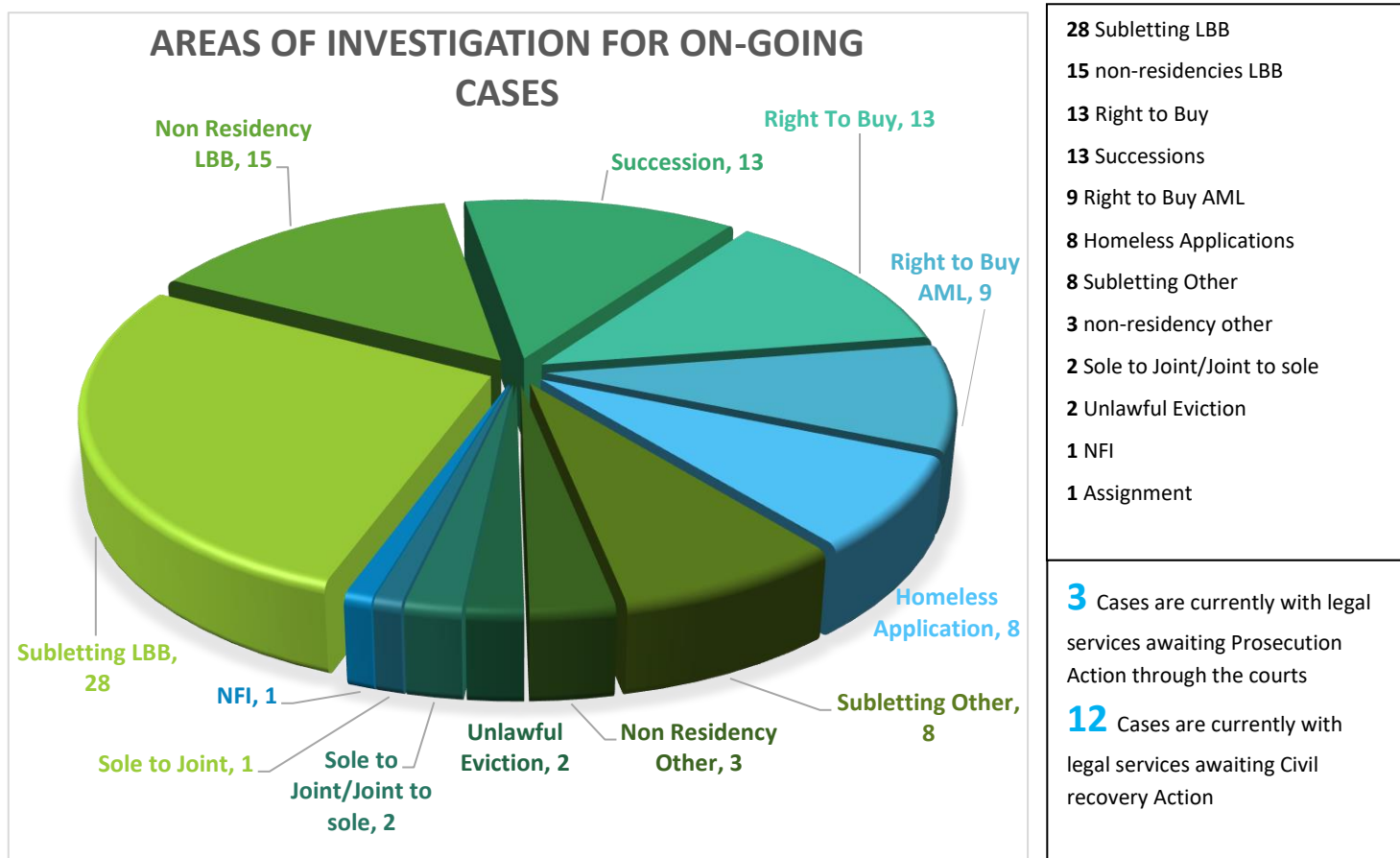
2 Sole to joint/Joint to sole applications denied

218 No Fraud

Fourteen properties were recovered during 2021-22..Two further cases are in the process of prosecution, one of which has pleaded guilty to completing a false succession application and is awaiting sentence and recovery of costs.

A successful prosecution relating to a false housing application took place during Q4, the defendant was ordered to pay Barnet Council **£12,000** compensation and sentenced to 2 years imprisonment suspended for 2 years and 100 hours of unpaid work. The property concerned was recovered by the CAFT in 2018 but due to the delay in court proceedings the result of the court decision is being reported here.

## On-going Investigations



## Noteworthy Tenancy Fraud Cases

**Case 1** – Ms T had a one-bedroom flat in Edgware, an investigation was started due to a National Fraud Initiative (NFI) match which showed the tenant was linked to another borough's housing waiting list. Checks were conducted and whilst there were no issues in regard to the waiting list in another borough there had been a referral from one of the neighbours stating the tenant was not living at the property. The resulting CAFT investigation found the tenant was living abroad. The keys were returned, and the property recovered.

**Case 2** – Mr M had a one-bedroom flat in Edgware, a referral was received from a Barnet Homes Housing Officer, the referral stated that the tenant had been visiting his grandson in Bristol in September 2021, however had been taken ill and was in a local hospital. The tenant's grandson contacted Barnet Homes and asked if his mother could reside in the tenancy address, however checks show she had her own tenancy elsewhere. The resulting CAFT investigation found that the tenant unfortunately had terminal illness and would not be returning to the property, further investigation found that his daughter was not entitled to succeed the property and the keys were returned.

**Case 3** – Ms W had a two-bedroom flat in Barnet, a referral was received from a Barnet Homes Housing Officer, they believed the tenant was not resident and the property had been vacant for several months, the address is part of a regeneration scheme in the area. The resulting CAFT investigation found that there was a large rent arrears and there had been a need for the gas safety officers to obtain an entry warrant to the property due to legislated requirement to service gas appliances. Evidence obtained found the tenant had been living with her mother for at least a year leaving the tenancy address empty. The tenant returned the keys, and the property was recovered. Due to mental health issues no further action was taken.

**Case 4** – Mr M had a three-bedroom flat in Edgware, a CAFT investigation started due to an un-announced visit during 'days of action' pro-active exercise in conjunction with the Community Safety Team and Police. The visit found the tenants grandson and family in the property, he stated his grandfather was staying with his brother after a burglary at the tenancy address, however he was unable to provide an address. A further un-announced visit was carried out to the property, the grandson was again there and stated his grandfather had gone abroad, although evidence suggested this not to be the

case. However, since the last visit the grandson informed the officer his grandfather had passed away and provided evidence, the keys have now been returned and the property recovered. The investigation would suggest the grandson was living at the tenancy address whilst the tenant was living elsewhere, however due to the tenant passing away there is no way of proving this.

**Case 5** – Ms W had a two-bedroom house in Edgware, a referral was received from the Gas Safety Team as they were unable to gain entry and had concerns over her residency at the tenancy address. The resulting CAFT investigation showed Ms W was linked to several different addresses and in fact was joint owner of two and the sole owner of one. These properties had been purchased before she had made a Homeless Application with Barnet Homes. The tenant was interviewed under caution where she no commented to all questions. On 26 April 2018 a Judge at Civil Court ordered outright possession, on 11 May 2018 Ms W handed back the keys and the property was recovered. Due to the seriousness of the case, criminal proceedings were brought against Ms W, however due to health issues with Ms W and delays at court due to covid the case was not heard until 28 June 2021 where Ms W pleaded guilty under the Fraud Act 2006 of making a false representation, on the 7 March 2022 Ms W was sentenced to 2 years imprisonment suspended for 2 years, 100 hours of unpaid work and ordered to pay £12,000 compensation.

**Case 6** – From Q1 - Mr B had been a Barnet council tenant since 2004. The property is a one bedroomed flat. A referral was received which stated that the tenant had moved out and was living with his partner and child in out of the Borough, whilst subletting the property to another male.

Evidence was obtained that showed that the tenant had been living at various addresses other than the Barnet tenancy since at least 2014. The evidence confirmed that his partner had purchased a house in 2017 and that this was where they were both resident. Credit information indicated that someone else was resident at the Barnet property. Bank statements obtained showed that the Barnet tenant was receiving £580 per month in rent.

The defendant was invited to attend an interview but declined, stating that there was no evidence against him. In December 2018, the property was recovered by way of eviction after the rents team had pursued a possession order based on the arrears. The defendant had previously avoided eviction by paying towards the arrears at Court, however CAFT provided a statement to support the rents team advising that a criminal investigation was also under way for subletting and that a stay of eviction should not be granted.

On 17th June 2021 Mr B pleaded guilty to an offence under Section 1 (2) Prevention of Social Housing Fraud Act 2013 (POSHFA) and was ordered to pay a total of £2904.86 which included a £500 fine, £50 victim surcharge and £2,354.86 prosecution costs.

**Case 7** – From Q2 - Formal Caution - Ms X had a 2-bedroom flat in Friern Barnet, an anonymous referral was received which stated tenant had carried out a mutual exchange with another tenant, however she had already moved to a three-bedroom house outside of the borough which she owned and was allegedly sub-letting her council property to a family member. Evidence obtained during a CAFT investigation found the tenant had been receiving rental payments from her daughter for 7 months and had a mortgage at her property in Cheshunt. Ms X was interviewed under caution where she admitted to the offence of sub-letting and living elsewhere with her children. Ms X returned the keys, and the property was recovered. Although the case was considered for prosecution Ms X had mitigating personal circumstances which were taken into account. Due to the fact she cooperated fully with the investigation and admitted the offence a formal caution was offered and accepted. Ms X also agreed to pay a contribution towards the cost of the investigation.

**Case 8** – From Q3. Mr E had a two-bedroom flat in Barnet, a referral was received from Metropolitan Thames Valley Housing advising that they suspected the tenant was subletting the property to a couple. The resulting CAFT investigation found that the tenant was in fact living elsewhere and had been since 2014, a family member was living at the social housing property and paying the rent to the tenant, from 2020 the tenant sub-let to another couple of paid him rent. The tenant was interviewed under caution where he admitted to living elsewhere and sub-letting. The matter was prepared for legal to prosecute under the Prevention of Social Housing Fraud Act 2013 for sub-letting the property. On the 11 November 2021 Mr E pleaded guilty to the offence of sub-letting, he was ordered to pay Barnet Council £10,000 compensation and £1500 towards legal costs.

# FINANCIAL INVESTIGATIONS (FI)

A Financial Investigation under the Proceeds of Crime Act 2002 (POCA) ensures that any person(s) subject to a criminal investigation by Barnet do not profit from their criminal actions.

There have been **17** cases dealt with in 2021-22 relating to financial investigation

**15** cases carried forward from 2020-21

**2** New FI Cases opened in 2021-22

**5** FI cases closed in 2021-22

**12** on-going FI investigations

Under the Government's incentivisation scheme funds confiscated from criminals is shared as follows:

- 50% is allocated to the Treasury
- 12.5% is allocated to the courts
- **30% is allocated to LBB as the investigating authority**
- From this allocation, **7.5%** is taken by the Asset Recovery Agency for the administration of the funds

In addition to this scheme and in relation to the 30%, CAFT have local agreements in place with Re and also other Local Authorities with regard to each investigation, therefore some of this share is split further dependent on the agreement in place. For POCA cases relating to LBB services the full 30% share is retained after the deduction of the Asset Recovery Agency's administration costs.

## Closed cases in 2021-22

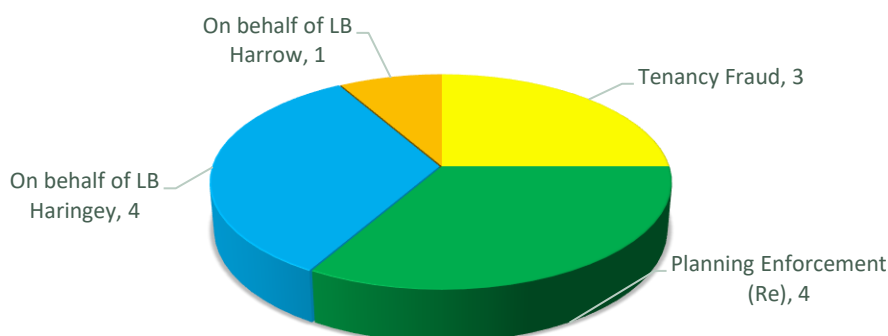
**3** Proceeds recovered

**1** Insufficient Assets

**1** Referred to Police

## On-going investigations

### Areas of investigation for on-going POCA cases



- |   |                           |
|---|---------------------------|
| 4 | Planning Enforcement (Re) |
| 4 | On behalf of LB Haringey  |
| 3 | Tenancy Fraud             |
| 1 | On behalf of LB Harrow    |

## Amount of POCA Funds Recovered and received into LBB Accounts this year



### Noteworthy POCA Cases

**Op Shekel** relates to partnership working with the Re's Planning department. It relates to a breach of a planning enforcement notice where the property was unlawfully converted into flats and rented out. The breach of the enforcement notice makes the offence criminal in nature and as a result any income derived from the offence is subject to Proceeds of Crime legislation.

On 23<sup>rd</sup> February 2021 the Crown Court made a confiscation order in the sum of **£183,078.35**, in addition to this the defendant was issued a £15,000 fine and ordered to pay £11,323.36 in costs. The case was closed once the confiscation order was paid.

- **Op Shekel:** confiscation order amount £183,078.35 (37.5% split = £68,654.38 – 7.5% top slice (Administration) = **£63,505.30** this is then split equally with Re = **£31,752.65 for LBB** and £31,752.65 for Re)

**Op Akinaka** relates to partnership working with Re's Trading Standards Department. The defendant pleaded guilty to offences under the Trades Marks Act for selling counterfeit fashion items in his stores within the Borough. The proceeding financial investigation found that the defendant had received approximately £79,924.35 derived from the proceeds of his crime.

On 30<sup>th</sup> March 2021 the Crown Court made a Confiscation order in the sum of **£79,924.35**, in addition to this, costs of £40,000 were ordered, and the defendant was given a 12-month community order with unpaid work of 120 hours as a sole requirement. A forfeiture order for destruction of the counterfeit goods was awarded. The case was closed once the confiscation order was paid.

- **Op Akinaka:** confiscation order amount £79,924.35 (37.5% split = **£29,971.63** – 7.5% top slice (Administration) = **£27,723.76** this is then split equally with Re = **£13,861.88 for LBB** and £13,861.88 for Re)