

Case studies for Audit Committee Report of July 2019

Case 1

This case of Council Tax fraud came to light when the Council Tax Team referred a concern about a letting agency using deceased students' identities to claim council tax student exemptions on properties they were renting out individual rooms to people and then charging them rent and also council tax.

The letting agents had provided the Council Tax Team with false student certificates and tenancy agreements, after the students had passed away.

The investigations were prolonged with the manager/directors of the letting agency being evasive and difficult to interview. The case was nonetheless prepared for prosecution with an estimated original financial loss in region of £4,000.

The case was heard at the Magistrates Court in April 2019 with one party who pleaded guilty and the other found guilty after the hearing.

Both parties were given community orders for 12 months of unpaid work (150 and 180 hours) along with costs and victim surcharges of £1,585 and £1,285.

Case 2

A Right to Buy (RTB) case was investigated by the Social Housing Fraud Team and as a result of the investigations their RTB was stopped.

During the investigation, it was identified that the solicitors acting for the RTB purchasers has fabricated documents in an attempt to push through the sale.

This matter concerning the solicitor was referred to the Metropolitan Police, but they were unable to pursue the case as a criminal matter.

It was then referred to the Solicitors Regulatory Authority, who carried out their own investigations and processed the referral through the Solicitors Disciplinary Tribunal.

In April 2019 the solicitor appeared before the Solicitors Disciplinary Tribunal and the Tribunal certified that there was a case to answer was found guilty of contravening the solicitor's disciplinary code.

Although there was an appeal, it was unsuccessful and the solicitor was ordered to pay the fine of £5,000 along with costs of £17,000). However, the solicitor was allowed to remain on the solicitor's register after the appeal.

Case 3

A referral was received regarding a member of staff working in a remote, specialised area of the council. The allegation suggested that the officer was 'moonlighting' and doing extra work and initial enquiries made by the team's manager had suggested this was true and also that another member of staff may be involved.

Further investigative action by the Corporate Anti-Fraud Team revealed that two officers had been regularly undertaking agency work during the hours they were contracted to work for the council and a combined total of 55 periods of employment over a four year period had taken place.

The two officers had been 'covering' for each other and the remoteness of their job and the fact that they largely worked alone had allowed this to happen.

Both officers resigned during the disciplinary process. In January of this year both officers pleaded guilty at Thames Magistrates Court to the charges under Section 3 of the Fraud Act 2006. Both were given Community Orders for 12 months with 100 hours of unpaid work. Both were also fined and ordered to pay costs.

Case 4

A data matching exercise sparked an investigation into a member of staff who held a social housing tenancy, a flat in the borough, but was found by the matching exercise to have links to two other properties, raising suspicion that the social housing property may have been sublet or was not being lived in. The flat was in the process of being purchased under the Right to buy scheme.

Further enquiries found the two properties the tenant had links with were a property in a neighbouring borough that had been purchased by her partner and his father as a buy to let property four years after her tenancy began. The other was a property within the borough which her husband also co-owned with his father.

It was then discovered by investigators that she had obtained her flat initially, by making a false submission as to her true housing need. In her previous property she had requested rehousing due to overcrowding, resulting in the tenancy of her current property being granted. However, she had not declared that a family member had moved out, alleviating the overcrowding issue.

Following formal interviews being carried out, the resident withdrew her Right to buy application and then voluntarily surrendered the tenancy.

The matter was taken to a criminal prosecution and the defendant was found guilty at Crown Court of two counts of fraud and given a 15 month sentence, suspended for 18 months and a requirement to complete 200 hours of unpaid work and pay compensation to the council of £25,000.

She was dismissed from her employment.