



Department of

Finance

An Roinn

Airgeadais

www.finance-ni.gov.uk

ANNUAL THEFT & FRAUD REPORT 2021-22

Compiled by the Department of Finance



CONTENTS

Background	2
Highlights	3
Key Findings	4
Specific Fraud Risk Areas – Summary Reports	8
Department for Communities – Benefit Fraud	
Department of Health Business Services Organisation (BSO) – Health Service Fraud	
Northern Ireland Environment Agency – Environmental Crime	
NI Water – Unauthorised Connections / Meter Tampering	
Land and Property Services – Housing Benefit Fraud	
NI Housing Executive – Tenancy Fraud	
Legal Services Agency NI – Legal Aid Fraud	
Department of Finance – Group Fraud Investigation Service	
Covid 19 related Fraud & Cyber Crime	10
Fraud Prevention Activities and Lessons Learned	11
Other Public Sector Fraud Reporting Mechanisms	12

BACKGROUND

Background

1.1

Under Managing Public Money NI (MPMNI) departments are required to report to the Department of Finance (DoF) annually on all actual, suspected and attempted frauds which involve public money. This information is collated by DoF through an annual exercise completed by departments in respect of their own core department, their agencies, Non-Departmental Public Bodies (NDPBs) and other sponsored bodies.

1.2

DoF uses this information:

- i. to highlight to the NI public sector the common types of theft and fraud cases which are being perpetrated; and
- ii. to identify measures which will help public sector bodies prevent and detect fraud and theft in the future.

Defining Theft and Fraud

1.3

Under the Fraud Act 2006 there is a legal definition of what constitutes “fraud”. However, the annual reporting exercise and this report includes cases which would come under the wider more generally understood use of the term “fraud” including:

false accounting, bribery and corruption, misappropriation, forgery, abuse of position and straightforward theft.

1.4

The cases included in this report include not only ‘actual’ cases but also ‘suspected’ and ‘attempted but prevented’ cases reported by departments for the 2021-22 year.

Scope of Report

1.5

The report covers cases reported by departments, their agencies, NDPBs and other sponsored bodies.

1.6

It does not include any cases which may have occurred in the NI Assembly, the NI Audit Office, or the NI District Councils. If required, information on actual, suspected or attempted fraud in these organisations should be sought directly from the relevant organisation(s).

1.7

Statistics on key fraud risk areas listed below are provided in the Summary Reports section. To enable meaningful trend analysis this information is not included in the results presented on pages 3-7. It is recognised that these areas are so significant due to their value/nature that they should be reported separately. More information on each of these is available from the respective departments.

These include the areas of:

Department for Communities
Benefit Fraud

Department of Health Business Services
Organisation (BSO)
Health Service Fraud

Northern Ireland Environment Agency
Environmental Crime

Northern Ireland Water
Unauthorised Connections / Meter Tampering

Land and Property Services
Housing Benefit Fraud

Northern Ireland Housing Executive
Tenancy Fraud

Legal Services Agency Northern Ireland
Legal Aid Fraud

Department of Finance
Group Fraud Investigation Service

¹Information has been gathered at a point in time and should not be taken as a complete record of all cases of fraud perpetrated in the 21-22 year. Nor does it include ‘suspected’ cases which have subsequently been determined as not fraudulent.

HIGHLIGHTS

126

cases reported for 2021-22.



Decrease of 4

cases from the previous year (130 cases).



Of the 126 reported,

62 actual - 45 suspected – 19 attempted



Value of fraud reported

£2,609k²



This is an increase of

£1,829k

from the previous year (£780k).



14%

of the total value was in respect of 'actual' cases (£370k).



£ 2,113k

related to 'suspected' cases.

² There may be a slight discrepancy in the exact values or percentages quoted in the report due to the rounding of figures.

KEY FINDINGS

The number and value of frauds which have taken place over the past 5 years are detailed below.

Value of Cases

Figure A

17-18	18-19	19-20	20-21	21-22
£787k	£509k	£3,129k	£780k	£2,609k

Number of Cases

Figure B

17-18	18-19	19-20	20-21	21-22
236	219	224	130	126



In comparison to the prior year the overall number of frauds has decreased by around 3%, from 130 to 126 cases.

The overall value of fraud in 2021-22 increased significantly, to more than three times what it was in the previous year.



There were several high value frauds reported in the 2021-22 year.

The most significant fraud (suspected) in terms of value was reported by DoH and had an estimated value of £1,896,800. This amount was almost 73% of the total level of fraud included in this report. This suspected fraud was incurred by the Belfast Trust and was categorised as ‘abuse of position’. The department reported that orders were placed with a company and on investigation it was established that the payment of the related invoices was inappropriate. The full value was recovered following discussions.

NIHE reported a substantial fraud in relation to Housing Benefit and internal staff (abuse of position), amounting to a value of £126k.

DfE (Invest NI) reported a suspected fraud in relation to Covid-19 grant funding (Covid-19 related), with an estimated value of £68k for which recovery is being sought, and a fraudulent bank transaction (payment process related) of £49k which has been fully recovered.

Type of Fraud Comparison

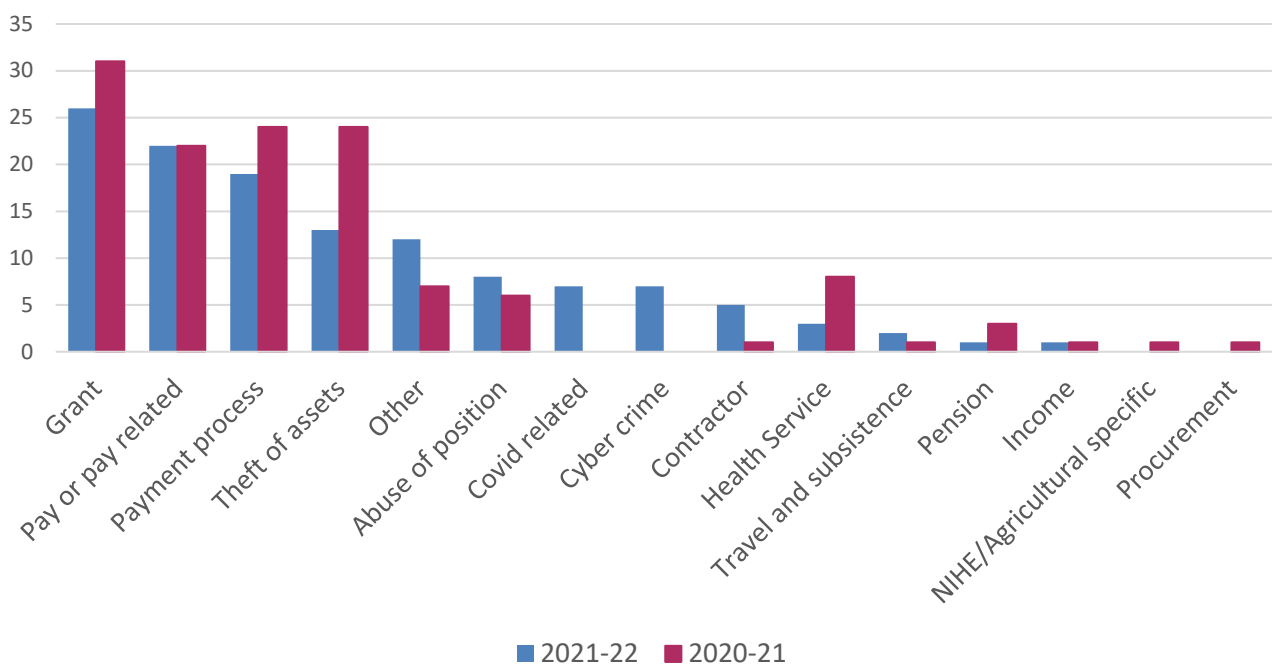
The table below compares the values and numbers of each type of fraud between 2020-21 and 2021-22. Grant related frauds were the most prevalent type of fraud in 2021-22, whilst Abuse of Position related frauds accounted for the highest total value.

Figure C

	Value £		Number	
	21-22	20-21	21-22	20-21
Abuse of position	2,025,435	19	8	6
NIHE/Agricultural specific	-	-	-	1
Contractor	7,369	450	5	1
Covid-19 related	166,639	N/A	7	N/A
Cyber Crime	43,236	N/A	7	N/A
Grant	124,631	241,007	26	31
Health Service	13,575	37,696	3	8
Income	225	6	1	1
Other	-	3,615	12	7
Pay or pay related allowances	136,956	301,146	22	22
Payment process	78,745	165,056	19	24
Pension	6,319	10,327	1	3
Procurement	-	-	-	1
Theft of assets	3,010	20,825	13	24
Travel and subsistence	2,431	10	2	1
TOTAL	2,608,571	780,157	126	130

Illustrated below is the movement in numbers of each type of fraud from 2020-21 to 2021-22.

Figure D



There were both increases and decreases across categories of 'type of fraud' this year, with an overall decrease



from 130 cases in 2020-21 to 126 cases in 2021-22.

The biggest decrease was in theft of assets



from 24 instances in 2020-21 to 13 instances in 2021-22.

Grant related fraud also decreased in both number and value

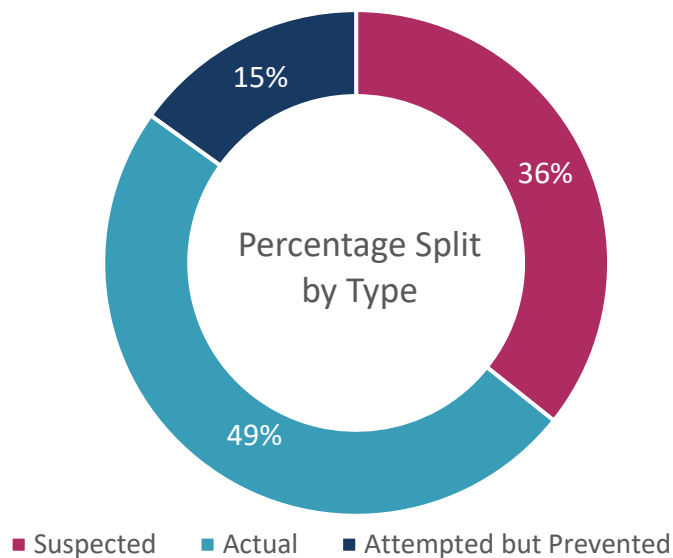


from 31 instances and £241k in 2020-21 to 26 instances and £125k in 2021-22.

Actual, Prevented and Suspected Fraud

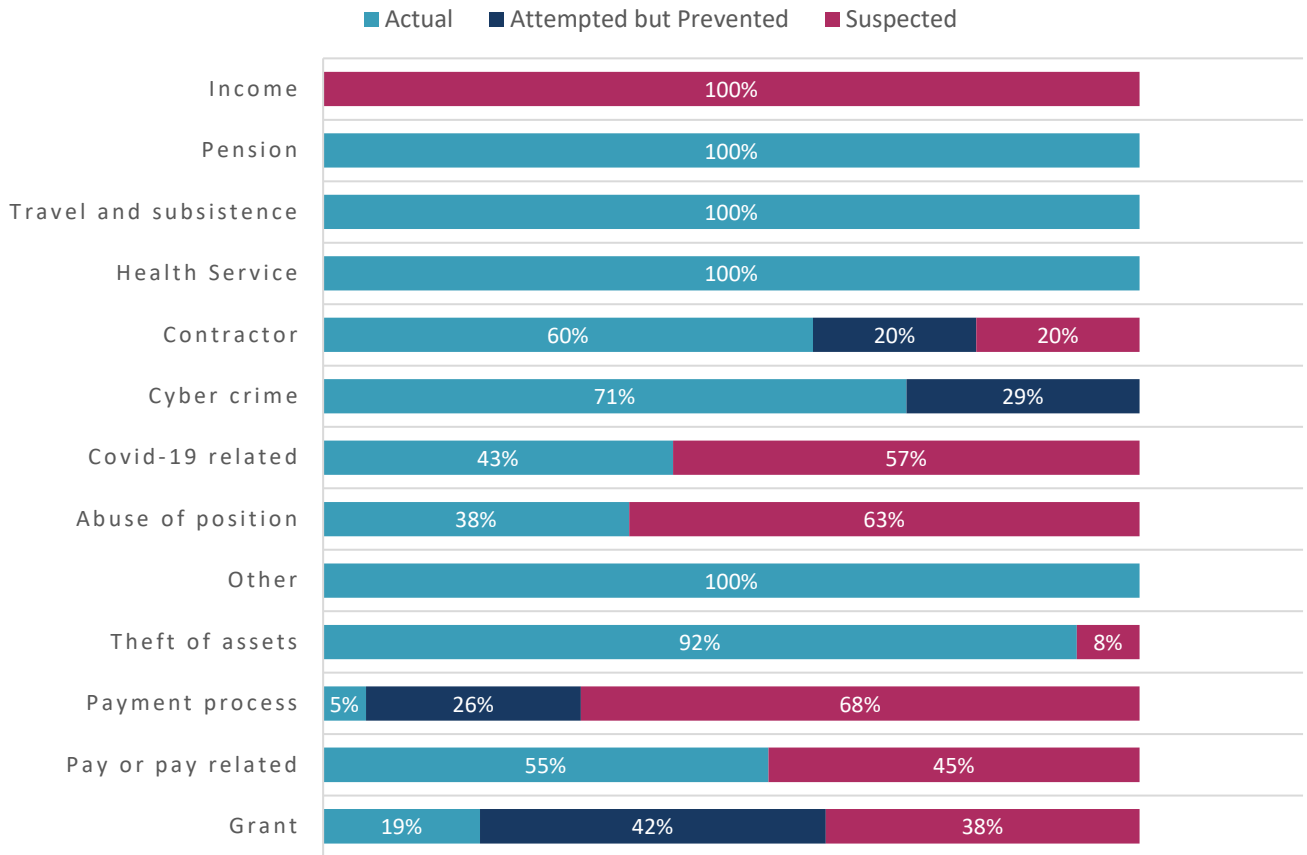
Figure E

Type	Actual	Attempted but prevented	Suspected	Grand Total
Number	62	19	45	126
Percentage	49%	15%	36%	100%



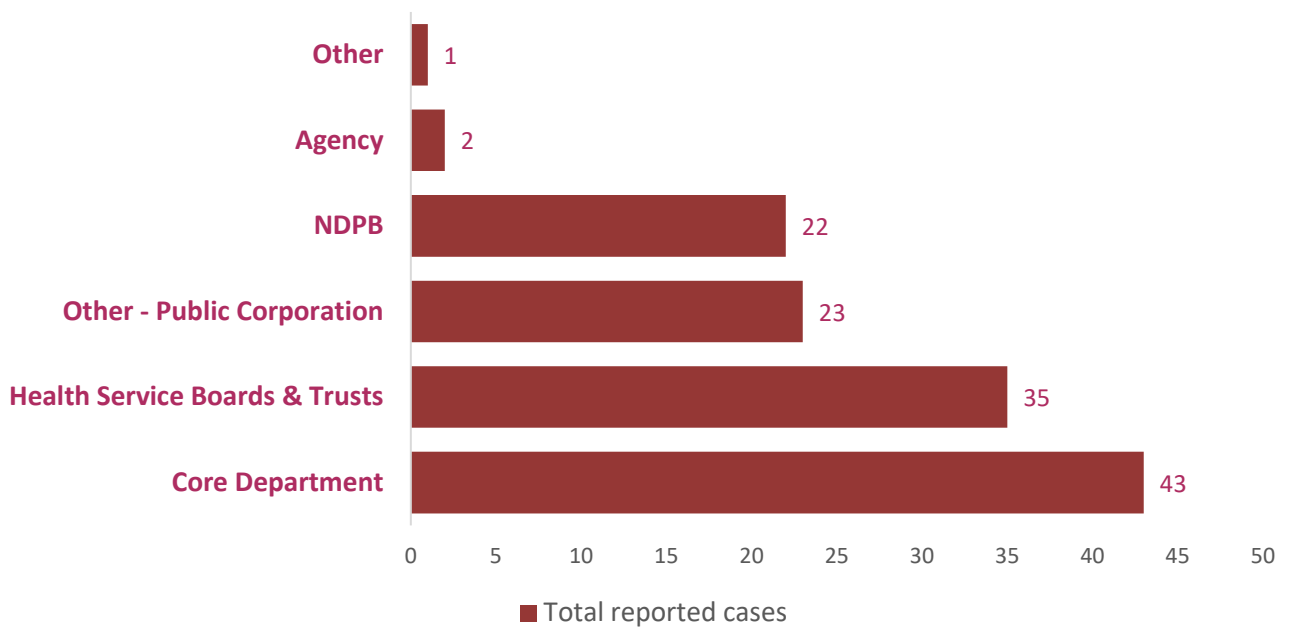
Split between actual, attempted and suspected

Figure F



Reported Fraud by Organisation

Figure G



SPECIFIC FRAUD RISK AREAS - SUMMARY REPORTS



Department for Communities Benefit Fraud

- Total value £138.4m, 1.9% of total expenditure (2020-21 £99.5m, 1.5%)
- 2180 investigations (2020-21 1742)
- 112 administrative penalties, formal cautions or convictions (2020-21 83)
- Recovery of £126k of assets criminally obtained (2020-21 £125k)
- 3986 compliance interviews completed, leading to £5.7m benefit adjustments



Department of Health - BSO Health Service Fraud

- 105 new cases, 36 of which included in annual fraud return (2020-21 77)
- Actual or estimated value for new cases £2019k, with one individual case estimated at £1897k (2020-21 £230k)
- 5 cases criminal sanction (2020-21 2)
- 12 cases disciplinary/financial recovery/referral to professional/regulatory body (2020-21 11)
- 128 post payment exercises primary care expenditure (2020-21 12)
- £58k of recoveries in relation to primary care expenditure (2020-21 £35k)
- £128k of recoveries in relation to evasion of health service, dental and ophthalmic charges (2020-21 £53k)



Northern Ireland Environment Agency Environmental Crime

- 1135 incidents of reported environmental crime (2020-21 1176)
- 7 successful prosecutions resulting in 2 suspended sentences, fines £8.3k and investigative costs awarded £3.9k
- 1 confiscation orders £177k (2020-21 1, £235k)
- 3 PoCA Restraint Orders £923k, net value managed £10.15m
- 7 cases referred to HMRC for avoidance of environmental taxes (2020-21 16)



NI Water - Unauthorised Connections /Meter Tampering

- 124 cases investigated (2021-22 134)
- Illegal activities including unauthorised connections to public water main and meter tampering
- Five legal cases pending
- 5 cautions
- 59 warnings
- Approximately £83k has been recovered



Land & Property Services Housing Benefit Fraud

- 2021 NFI identified 5,181 (2019 5,416) cases for review (2-year cycle)
- In total, 11,654 claims reviewed
- 1 fraud/error was identified with savings of £777.52



Northern Ireland Housing Executive Tenancy Fraud

- 137 cases investigated (2020-21 173 cases)
- 20 properties recovered (£569k)
- 8 Fraudulent Applications Withdrawn (£228k)
- 5 Fraudulent Successions prevented (£142k)
- 1 Fraudulent Right to Buy application withdrawn (£28k)



Legal Services Agency Legal Aid Fraud

- 338 referrals (2020-21 231)
- All 338 registered for further investigation (2020-21 167)
- Applicant fraud and supplier (members of legal profession) fraud
- 7 Revocations of legal aid certificate
- 3 applications withdrawn
- 14 other resolutions



Department of Finance Group Fraud Investigation Service

- 18 referrals received and investigated (2020-21 16)
- Main areas covering fraud referrals:
 - Grant funding;
 - Abuse of position; and
 - Pay or pay related allowances.
- Work closely with PSNI

COVID-19 RELATED FRAUD

Covid-19 related fraud was included as an individual category this year. This allowed departments to report on specific numbers and values of cases related solely to Covid-19, rather than simply highlighting emerging trends and high-risk areas as in previous years.

As can be seen from elsewhere in this report, departments reported seven different instances of Covid-19 related fraud, totalling £166,639. Six of these cases, and the full value, were reported by the Department for the Economy and related to Covid-19 grant funding. The highest individual value was an estimated £68,139. The seventh case was reported by the Department for Infrastructure and also related to a financial assistance/grant scheme. No loss occurred in this instance.

In addition, whilst not included in the figures elsewhere in this report, LPS has been at the forefront of assisting the citizens and businesses of Northern Ireland throughout the duration of the Covid-19 pandemic. LPS was responsible for the administration of the Localised Restriction Support Scheme (LRSS) which has paid out approximately £312 million to businesses during 2020/21 and 2021/22. To date, LPS has identified a total of 76 cases of suspected fraud which are currently being investigated. The total amount of LRSS grant paid out associated with these suspected fraudulent cases amounts to £525K.

CYBER CRIME



Cyber related fraud was also included as an individual category this year, allowing departments to report on specific numbers and values of cases.

Seven cases of cyber related fraud, with a total value of £43,236, were reported by DfE (3, £40,536), DE (2, £2,050) and DfI (2, £650 (estimated)) and are included in the figures elsewhere within this report. These included phishing attempts, email hacking, and fraudulent bank transactions.

FRAUD PREVENTION ACTIVITIES & LESSONS LEARNED

In order to promote greater awareness amongst staff and the public of the impact and consequences of taking part in fraudulent activities, public sector bodies continue to carry out the fraud prevention activities listed below across the key fraud risk areas. These activities are also enabling improved visibility in terms of reporting and greater data analysis of trends, patterns and behaviours.



Fraud Prevention Activities

- Staff awareness sessions, newsletters and Fraud Alerts
- Professional Counter Fraud training and accreditation
- Increased and improved data sharing
- Use of data analytics to target inspections
- Use of IT to combat cyber fraud
- Legislation e.g. Proceeds of Crime Act
- Continual review of Counter Fraud Strategies and Action Plans
- Collaboration across the public sector
- Multi agency joint operations, Investigations and task forces
- Joint operations with partner law enforcement organisations
- Cross Border collaboration
- Participation in National Fraud Initiative
- Publicity campaigns
- Cyber Security Centre



Lessons Learned

Lesson 1

Robust controls must be established and applied consistently to act as a deterrent and enable fraudulent activity to be identified.

Lesson 2

Staff need to be aware of their responsibilities if fraud is suspected.

Lesson 3

Clear channels for reporting fraud must be established and communicated.

Lesson 4

Conflicts of interest need to be properly documented and managed.

Lesson 5

Early intervention is key to stopping and reducing the impact of fraud.

OTHER PUBLIC SECTOR FRAUD REPORTING MECHANISMS

National Fraud Initiative (NFI)

One of the key mechanisms used by NI public sector bodies to prevent and detect fraud is the National Fraud Initiative (NFI), a UK-wide data matching exercise run every two years by the Cabinet Office. Over 80 Northern Ireland public sector bodies, including departments, non-departmental public bodies, health bodies and local councils, participate in the NFI. The NI Audit Office co-ordinates the NFI exercise for NI participants.

The Comptroller and Auditor General NI (C&AG) acquired data matching powers in 2008 and all organisations whose accounts are audited by the C&AG or a local government auditor may be required to submit their data for matching.

In the eight exercises completed to date in Northern Ireland, outcomes total over £48 million, representing current and past fraud and error stopped and potential future fraud and error averted. The C&AG issued her report on the eighth exercise in July 2024, outcomes for this recent exercise are principally in the areas of pensions and rates. The report is available on the NI Audit Office website at [National Fraud Initiative | Northern Ireland Audit Office \(niauditoffice.gov.uk\)](#). Previous published reports on the NFI in Northern Ireland are also available at this link.

NICS Fraud Forum

The NICS fraud forum is a best practice advisory group made up of departmental representatives. The forum normally meets twice a year to discuss key topics/areas of interest but unfortunately were unable to meet during 2021-22 due to continuing resource pressures as a result of the Covid-19 pandemic and other work priorities across departments. However, contact among the group continued over this period through the sharing of email alerts and the publication of guidance.

Organised Crime Task Force

The Organised Crime Task Force (OCTF) comes under the auspices of the Department of Justice (DoJ), providing a strategic multi-agency forum to tackle organised crime and reduce the harm it causes to communities, individuals and businesses in Northern Ireland.

The Taskforce does not have an operational responsibility for tackling organised crime – this remains the focus of the relevant agencies.

A representative from the NICS Fraud Forum attends the Criminal Finances Sub Group ensuring there is an appropriate link between the work of the OCTF and the NICS Fraud Forum. The Annual Report and Threat Assessment for the OCTF for 2021-22 can be accessed through the following link:

[OCTF Annual Report and Threat Assessment 2021-2022 | Organised Crime Task Force](#)



Department of

Finance

An Roinn

Airgeadais

www.finance-ni.gov.uk