

Corporate Anti-Fraud Team (CAFT) Annual Report: 1 April 2023 – 31 March 2024

EXECUTIVE SUMMARY

This report is to provide a summary on the outcome of all CAFT work undertaken between 1 April 2023 and 31 March 2024, 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 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.

The CAFT is made up of three specialist investigation teams: The Corporate fraud Team, The Concessionary Travel Fraud Team, and The Tenancy Fraud Team. The CAFT also has three Accredited Financial Investigators who conduct Financial Investigations under the Proceeds of Crime Act 2002.

The **Corporate Fraud Team** investigated **128** cases of alleged fraud, an increase of 25.4% compared to last year. These investigations resulted in **1** criminal prosecution relating to forged documents being supplied for a school admissions application, **6** cases being referred for disciplinary action, **21** cases relate to Council Tax fraud offences which resulted in administrative penalties of **£6,083.31** being issued and a further **£54,284.04** being identified for civil recovery due to overpayment. There were **2** cases where school admission places were refused due to false information being supplied.

The **Concessionary Travel Fraud Team** has investigated **326** cases relating to alleged Blue Badge misuse, fraudulent appeals for penalty charge notices (PCNs) and alleged parking permit fraud. This is an increase of 31.9% on last year. These cases resulted in **15** successful criminal prosecutions resulting in costs of **£7,244.50** being awarded to the council and **£5,630** being issued in court fines. **54** Simple Cautions being administered (an 8% increase) resulting in **£2,668.79** being recovered to cover investigation costs. **65** official warning letters being issued (a 58.5% increase). A total of **32** blue badges were seized from offenders.

The **Tenancy Fraud Team** investigated **543** cases. **105** cases were carried over from the previous year, **327** new referrals related to alleged Tenancy fraud and **111** related to Right to buy verification. Over the course of the year the team were responsible for recovering **41** properties with an additional **1** property being recovered where legal proceedings are on-going, this is an increase of 20.5% from last year. **2** of these properties were Open-Door Homes properties. **12** Right to Buy applications were denied due to the applicants not being eligible to purchase the property under the scheme resulting in the Local Authority retaining an asset value of **£1,534,800**. In addition to this, Tenancy fraud officers prevented **20** new applications from proceeding due to the applicant not being resident at the property or where circumstances were established where they were not entitled to these services, this is consistent with last year. The applications that were denied related to Assignment (5), succession (2), joint to sole (3), mutual exchange (3), Homeless Applications (6) and a housing application (1).

There have been **14 Financial Investigations under the Proceeds of Crime Act** carried out this year. **13** of these are on-going and recovery of confiscation orders continues. **1** case was closed due to insufficient assets being available to continue.

In addition to the specialist investigative role, CAFT continue to provide advice and support to every aspect of the organisation including its partners and contractors in relation to matters of fraud. This advice varies between fraud risk, fraud 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.

Over the course of the year, CAFT delivered in house fraud awareness training to a number of departments within Barnet Homes and Adults Social Services.

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.

Other information reported as per requirements of policy.

<p>Number of requests authorised for surveillance in accordance with Regulation of Investigatory Powers Act 2000 (RIPA).</p>	<p>0 this year This statistic is reported for information purposes in accordance with our policy and statistical return to the Office of Surveillance Commissioners.</p>
<p>Number of referrals received on Whistleblowing (WB) Policy In addition to 1 WB referral reported on;</p> <ul style="list-style-type: none"> The WB email address received details of 21 different matters/concerns – none of which actually WB but passed either to relevant service or organisation to review / investigate – such as CAFT, other council service, DWP/Police/CQC, Action Fraud/other LA 	<p>1 carried fwd. from last year – the referral concerns related to ‘Contractual arrangements relating to the Development and Regulatory Services (DRS)’ specifically around ‘conflict of interest’ and ‘insufficient challenge’. This referral was passed to Grant Thornton, External Auditors for their consideration. They have concluded and reported on this matter within their Annual Report 23/24. They have summarised their conclusions, and improvement recommendations within their report Link to GARMS papers 23/7/24 GT Annual report 23/24</p>

National Fraud Initiative data matching exercises

The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and error. All local Authorities have a statutory duty to take part in this national exercise and as a result Barnet submitted a number of data sets to the Cabinet Office for matching against other public-sector data sets. This matching process returned **105** separate reports throughout the year containing a total of **10,494** matches to Barnet.

The process of working through these matches includes allocating matched data to the relevant service areas to investigate any anomalies and update their systems with verified information. The CAFT team investigate Housing Tenancy matches, Blue Badge matches and any that relate to internal Fraud such as Payroll and Procurement matches.

So far this year, we are able to report the following results from the NFI.

556 disabled blue badges were cancelled due to the resident being deceased where the Council were not already aware, which has resulted in an estimated saving of **£361,400**. This figure is based on the Cabinet Office estimated savings figure of £650 being attributed to each blue badge that is cancelled.

All matches have been assessed by relevant services, with some action outstanding. These have **resulted in 2** matches identified as fraud where administrative penalties were issued relating to Council Tax Support offences. The total outcomes relating to Housing and Council tax support benefit overpayments is **£192,578.22** where recovery of this amount is ongoing. The majority of the NFI exercise is complete, however new matches that relate to HMRC data will that were produced in late November 2023 are still being investigated.

International Fraud Awareness Week

12-18 November 2023

PLAY YOUR PART,
REPORT FRAUD

Caring for people, our places and the planet



Blue Badge Fraud Operations during the week

Operations were carried out in the areas of **Hendon, Finchley Central, North Finchley and Edgware**

220 Badges were checked by Fraud Officers during this week

25 New Blue Badge fraud cases were identified broken down as follows

- **15** Misuse of a valid badge
- **5** Misuse of a Stolen/Lost Badges
- **5** Misuse of a child's badge

In addition, **16** Penalty Charge Notices (PCN) were issued, and **9** Badges were seized from offenders.

Leaflets were handed out to members of the public and local businesses.



International Fraud Awareness Week 2023 involved CAFT Officers accompanied by Community Safety colleagues taking to the streets of the Borough to promote the work of the Council in fighting fraud and to raise public awareness as well as tackling offences that they identified during a number of street-based operations that were carried out.

Resident information Stalls were set up in Brent Cross Shopping Centre, where residents were able to engage with CAFT Officers and learn about the work of the team. This was also an opportunity for residents to provide intelligence and make fraud referrals to the Officers. CAFT were also accompanied by th14e Elections Team to promote National Voter Registration Week and other enforcement colleagues such as Trading Standards. Promotional freebies were handed out, posters were placed in libraries and communal areas signposting members of the public towards how and where to report fraud. Over 100 members of the public engaged with the stalls on each day.

CAFT held two '**Lunch & Learn**' sessions for all staff across the organisation, which included a webinar and a chance to ask questions to the Counter Fraud Manager.

Further bespoke training sessions were undertaken to services at their request during this week.



Tenancy Awareness Visits

The Tenancy Fraud team carried out over **100** Fraud Awareness visits to social housing properties in areas of Barnet which had not been previously visited, to raise awareness.

Leaflets were also posted in Social Housing properties advising how to report tenancy fraud.

CORPORATE FRAUD

There have been **128** cases dealt with in 2023-24 relating to Fraud against services provided by the Council or within Service Areas

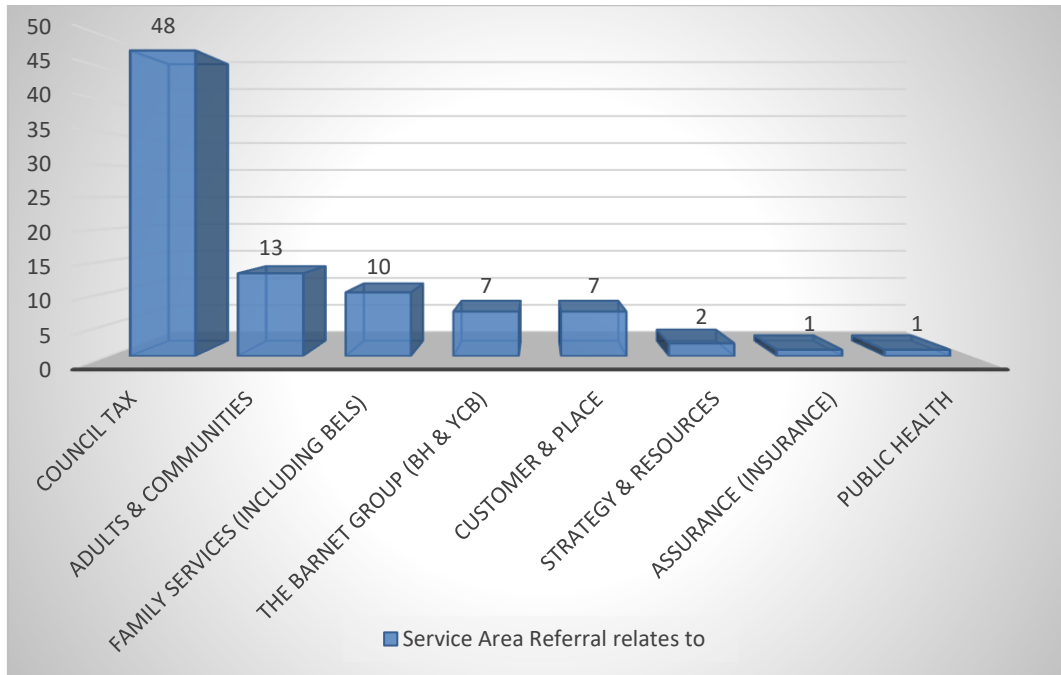
39 cases carried forward from 2022-23

89 New referrals received in 2023-24

75 cases were closed

53 on-going investigations.

New Referrals received in 2023-24

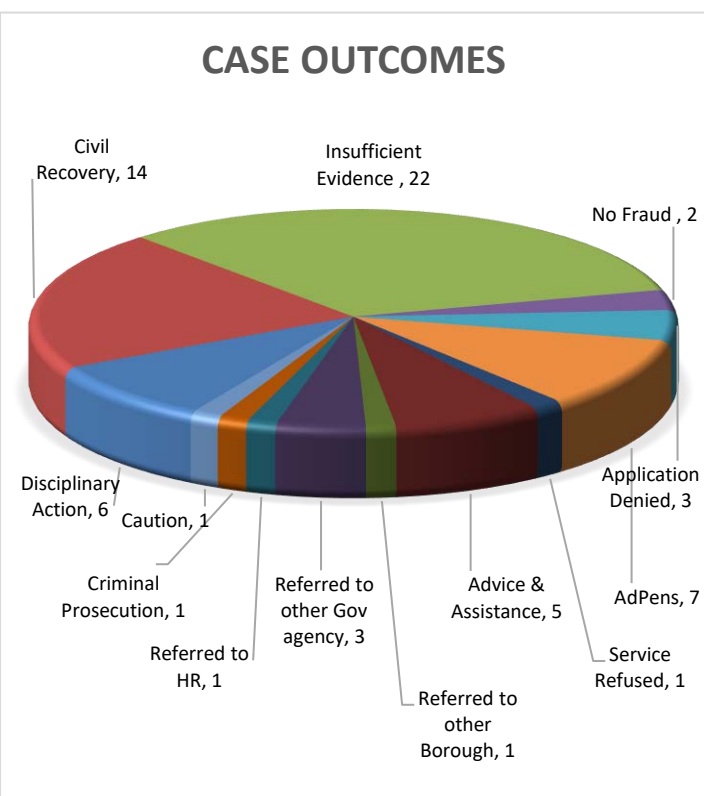


There has been an increase in referrals from last year relating to staff employed by LBB who are also employed or conducting business elsewhere with **9** new cases relating to this across different service areas, an increase of **28%** from last year.

53.4% of new referrals related to Council Tax fraud, down **0.6%** from last year.

Closed cases in 2023-24

CASE OUTCOMES



1 Criminal Prosecution (School Admissions fraud) *see noteworthy cases.

1 Caution (SPD Fraud)

7 Administrative Penalties **£6,083.31** *see noteworthy cases.

14 Civil Recovery **£**

- **12** relate to Council Tax Reduction Scheme (CTRS) **£37,188.34**
- **2** relate to SPD or other Council Tax exemptions resulting in **£2,647.67** to be recovered.

6 Disciplinary Action

3 Applications Denied

1 Service refused.

5 Advice & Assistance given

3 Referred to other Government Agency

22 Insufficient Evidence

2 No Fraud

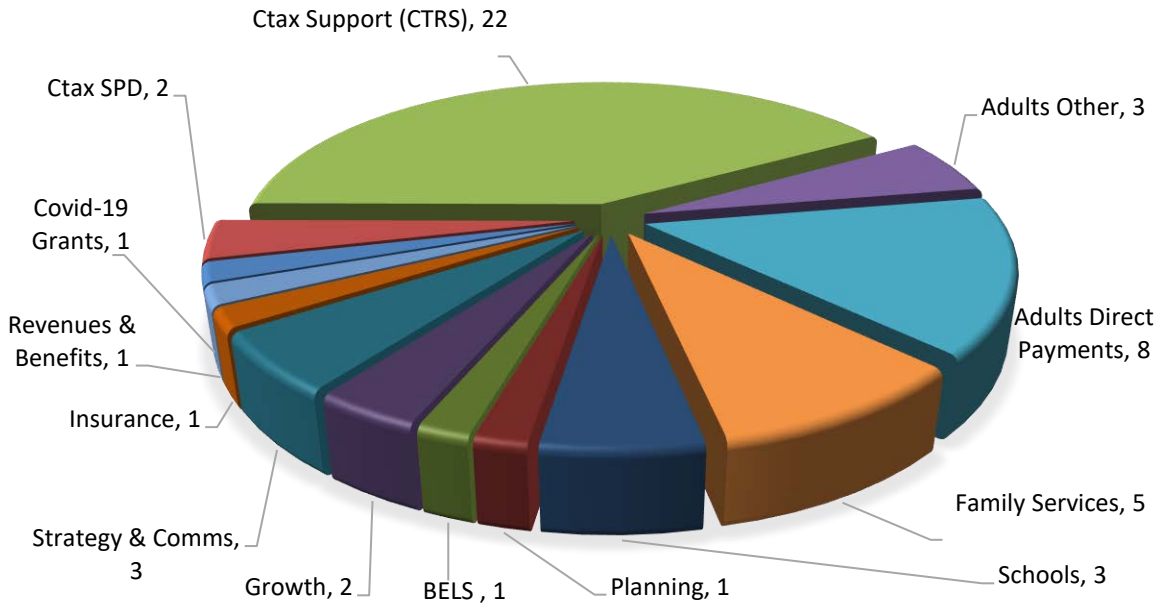
1 Referred to Other Borough

1 Referred to HR



On-going investigations

AREAS OF INVESTIGATION FOR ON-GOING CASES



- 22 Council Tax (CTRS)
- 8 Adults Direct Payments
- 5 Family Services
- 3 Adults Other
- 3 Schools
- 3 Strategy & Comms
- 2 Council Tax (SPD)
- 1 Growth
- 1 Revs & Bens
- 1 BELS (School Admissions)
- 1 Covid-19 Grants
- 1 Insurance
- 1 Planning
- 1 Insurance

- 9 cases are currently with our legal team awaiting prosecution with a total fraud amount of **£607,831.29**.
- 3 relate to internal fraud.
 - 2 relate to Direct Payment Fraud
 - 1 relates to CTRS offences
 - 1 relates to Covid Grant
 - 1 relates to False Invoices
 - 1 relates to Schools Fraud

Pro-Active areas of work

The Corporate Fraud team carried out a pro-active exercise to identify direct payments being paid by the council where the beneficiary of the payment had passed away. This exercise resulted in no fraud being identified, giving extra assurance around the processes and procedures in this area.

The team have also been working closely with Adults Social Services to adapt the formal declaration included in direct payment agreements and literature to give those in receipt of a direct payment or responsible for those that require care, a greater understanding of their role and responsibilities in respect of money received and how it should be spent. It also ensures awareness that the London Borough of Barnet will take action against those committing fraud and serve as a deterrent.

Noteworthy Corporate Cases

Case 1 – Relates to a School Admissions Fraud. Ms S falsely declared that she was living at a home owned by an elderly couple because it was within the catchment area of Mill Hill County High School. She had forged sale contracts, tenancy agreements and utility bills to try and get her son into one of the most sought-after local schools. She created fake utility and council tax accounts for the house and collected post from the real owners, saying it had been delivered to them by mistake. Her actions were discovered when the elderly couple found that they were building up council tax arrears, despite paying their bill promptly. Ms S was working as a paralegal aiming to become a conveyancer. Ms S and her ex-partner had purchased a piece of land at the rear of a property in Mill Hill. She applied for a school place on the basis that she was planning to build a property on the land and move in, but the plot had no access to a road.

The council's admissions team rejected the application, saying it could only be based on the applicant's current address. She then said she lived at the property on a piece of land, which was owned by the elderly couple, but they had never met her before. The council was unable to verify that she had moved house, so she created a false tenancy agreement showing she was renting out her property in Hendon. CAFT officers visited the properties and obtained witness statements as well as examining documents that had been submitted. This provided evidence that she had lied about her living arrangements. She was interviewed under caution by CAFT officers and gave a no comment response to all questions asked, however, she later provided a statement admitting her actions.

On 8th June 2023 at Willesden Magistrates' Court Ms S admitted to eight counts of using a false instrument with intent during the period 29 October 2021 to 20 May 2022, contrary to sections 4 and 6 of the Forgery and Counterfeiting Act 1981. As a

result, she was sentenced to 20 weeks imprisonment for each of the 8 offences to run concurrently. This sentence was suspended for 12 months on the following conditions:

- Unpaid work ordered for 150 hours
- Rehabilitation activity for 10 days to relate to consequential thinking
- **£2,500** costs awarded and a victim surcharge of £128

Case 2 – An internal member of staff working in Adults Social Services had failed to declare that she had set up her own company that deals with payroll services and care provision for vulnerable adults which was in direct conflict with her job role. The CAFT investigation had found that she had used her knowledge and client base at the Council to set up her own enterprise and therefore make a gain for herself. She was interviewed under caution where she made a pre-prepared statement. The relevant parts of the code of conduct were read to her including the need to declare interests, financial or otherwise that would impact the council and the need to declare other work and involvement with a business. She claimed not to have seen the code of conduct and never read it, however had signed the Council's contract of employment. The case was referred to the service for disciplinary action and she had subsequently resigned during this process. There was no evidence of any financial loss to the Council or the residents using her services so no further action by CAFT required.

Case 3 – Mr K had claimed to be residing alone for a number of years, therefore receiving a single person discount of 25% on his Council Tax bills. As a result of an unrelated matter, his property was visited where it had been established by CAFT Officers that he had been resident at the property with his mother since at least 2012. Evidence had been collated in the form of utility bills, blue badge and social care records and companies house information and Mr K was interviewed under caution where he had admitted making a false representation about living alone. An amount of **£8,714.83** was identified as being wrongfully discounted from his council tax liability and will be recovered via council tax bills. After liaising with our legal team, Mr K was given a caution.

Case 4 – A National Fraud Initiative (NFI) match had been received which suggested that Miss G had an income which she had failed to declare to Barnet Council. Her claim for Council Tax Support (CTRS) was amended by the Benefits team resulting in an overpayment of £1,581.47. An Investigation was conducted to establish whether Miss G had knowledge that she had to declare her earnings, and to establish whether Miss G had failed to declare these earnings when given an opportunity to do so. Documents and claim forms were produced which confirmed that Miss G held sufficient knowledge of the need to report her change in financial circumstances. Offences had been committed; however, legislation allows the council to offer the suspect an opportunity to accept an Administrative Penalty and considering the offending was over a period of 9 months and amounting to just over £1,500, a penalty of **£790.74** was offered as an alternative to prosecution and accepted by Miss G. This is in addition to the overpaid council tax support that will also need to be repaid.

Case 5 – Ms S had been in receipt of Council Tax Support (CTRS). An NFI match had revealed that she had been getting an earned income which had not been declared to the Council. Evidence was obtained of her employment which meant that she was overpaid £2,541.30 in council tax support. The evidence showed that the subject clearly understood the rules around the requirement to notify a change in circumstances. She was offered and Administrative Penalty of **£1,000** which was accepted. This will be recovered in addition to the overpaid benefit.

A further **five** Administrative Penalties were given to suspects who had committed offences contrary to the Council Tax Reduction Scheme (detection of fraud and Enforcement) Regulations 2013 totalling **£4,292.57**.

CONCESSIONARY TRAVEL FRAUD

This section details the investigation of Blue Badge Misuse, Parking permit 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 **326** cases dealt with in 2023-24 relating to Concessionary Travel Fraud

48 cases carried forward from 2022-23

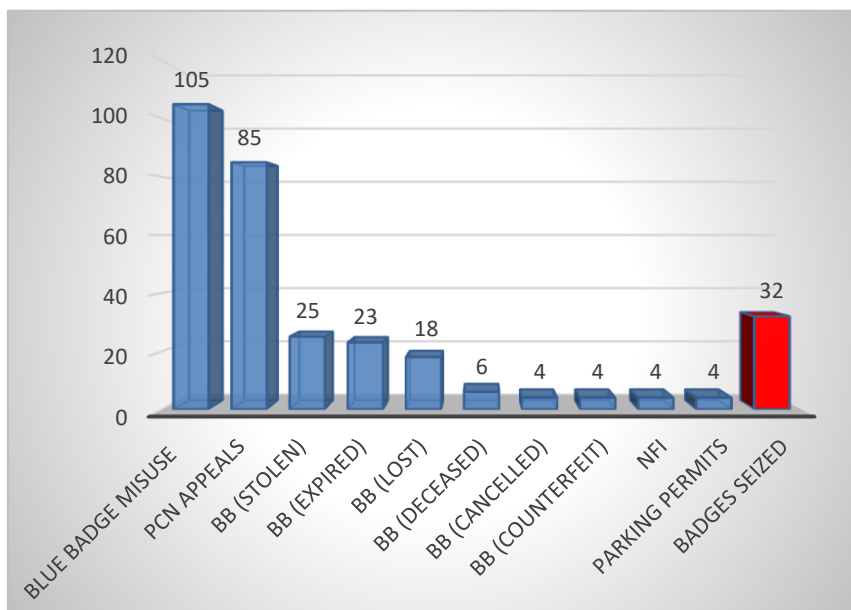
278 New referrals received in 2023-24

211 cases were closed in 2023-24

115 on-going investigations.



New Referrals received in 2023-24



The highest number of referrals related to blue badge misuse / fraud in the area of **Hendon** with this accounting for **15.1%** of all new referrals received this year. The next highest areas of misuse occurred in **Edgware** with **14.4%** of new cases in this area.



28.7% of all new cases related to the use of blue badges that are no longer valid for use.


Closed cases in 2023-24



Outcomes

15 Prosecutions  (costs recovered £7,244.50)

(Court fines issued £5,630)

54 Cautions  (total costs recovered £2,668.79)

65 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

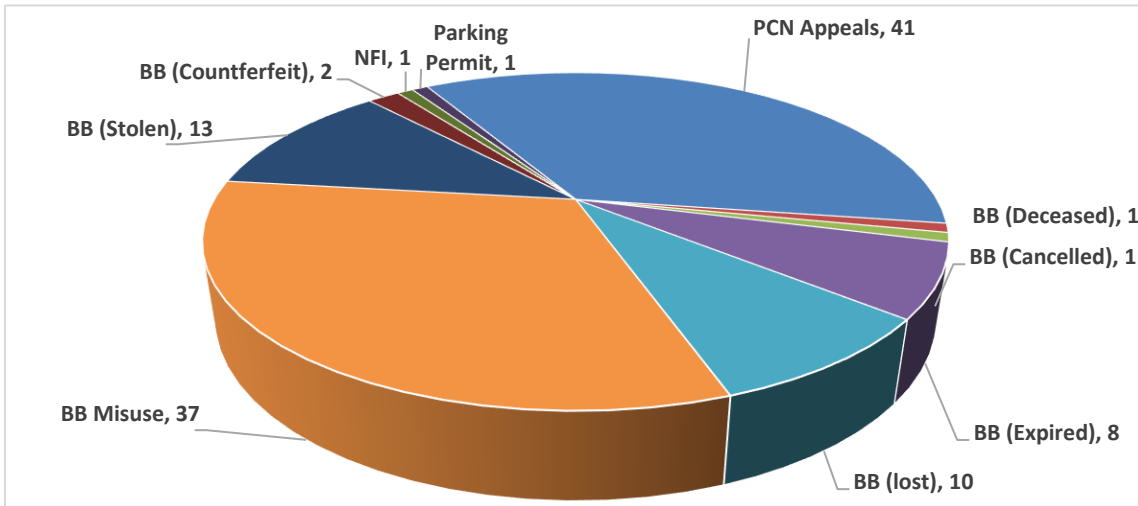
58 Insufficient Evidence

16 No Fraud

2 Disciplinary Action

1 NFA (not in public interest)

On-going Investigations



2 cases are with our legal team for prosecution.

*Both cases relate to the use of a **stolen** blue badge*

Pro-Active areas of work

The Concessionary Travel Fraud team carried out **eight** pro-active intelligence led blue badge street operations targeting areas of blue badge misuse. This resulted in **466** blue badges being checked, **56** new cases to be investigated where misuse / fraud was identified, and **23** badges were seized from offenders. **44** Penalty Charge Notices (PCN)'s were given by the Parking Enforcement Officers from NSL Services with an estimated value of **£3,520**.



54 Simple Cautions were administered by the CAFT in 2023-24

Following investigative interviews under caution, the circumstances of these cases allowed CAFT to consider an alternative sanction to prosecution i.e. 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 – Mrs D's vehicle was observed by CAFT officers displaying a blue badge, which was identified as belonging to a child and had a status of "stolen". Mrs D initially stated that she had just purchased the vehicle and the blue badge must have been on display without her knowing it was there, she was invited to attend an interview under caution but failed to attend, her explanation regarding her use of the badge was not accepted by CAFT and the matter was put forward for prosecution. Mrs D also failed to attend court and was found guilty in her absence. She was sentenced to a fine of **£440**, a victim surcharge of **£176** and ordered to pay **£350** in costs.

Case 2 - Mr A's vehicle was observed by CAFT officers displaying what was identified as being a stolen blue badge. Mr A was interviewed under caution at the councils' offices and gave an explanation as to how the badge came to be displayed in his vehicle, putting it down to his father, a genuine badge holder finding the badge that morning and there being a mix up with his father's genuine blue badge that should have been on display. This explanation was not accepted by CAFT as a reasonable explanation and the matter was put forward for prosecution. Mr A failed to attend court and was found guilty in his absence, he was sentenced to a fine of **£500** a victim surcharge of **£200** and ordered to pay costs of **£300**.

Case 3 – Mr M's vehicle was observed parked in a disabled bay, displaying what was confirmed to be a stolen blue badge. Mr M was invited to attend an Interview under caution during which he confirmed that he had found the badge and had decided to use it on the day in question despite the fact that other parking spaces were available. The matter was put forward for prosecution and Mr M entered a guilty plea, he was sentenced to a fine of **£120** a victim surcharge of **£48** and ordered to pay investigation costs of **£500**.

Case 4 - Ms C's vehicle was observed displaying a blue badge that had been reported stolen according to the blue badge database. When CAFT officers approached the driver, she drove away without engaging. CAFT inquiries confirmed her identity and also identified a number of occasions where the vehicle had been displaying different stolen blue badges. During her CAFT interview Ms C stated she had found the badge and mistakenly put it on display instead of her disabled family members badge, when presented with the additional offences she declined to make any comment. The matter was sent to court and Ms C pleaded guilty to 3 offences of theft and one of misuse, she was sentenced to a **£500** fine for the misuse, **£120** for each of the 3 theft offences and a victim surcharge of **£344**, she was also ordered to pay council costs of **£500**.

Case 5 - Relates to the use of a counterfeit blue badge. Mr K was found to be using a photocopy of a family members blue badge, he admitted to misusing the badge but denied any knowledge of the badge being counterfeit and stated this is how the badge had been received from the issuing authority. The matter went to court where he plead guilty, and was sentenced to a fine of **£738**, A victim surcharge of **£295** and ordered to pay council costs of **£1,331**.

In addition to the above there were **10** other cases that were prosecuted under similar circumstances which resulted in similar outcomes with costs of **£4,263.50** being awarded.

----- Intentionally Blank -----

----- Intentionally Blank -----

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 **543** cases dealt with in 2023-24 relating to Tenancy Fraud

105 cases carried forward from 2022-23

327 New Fraud referrals received in 2023-24

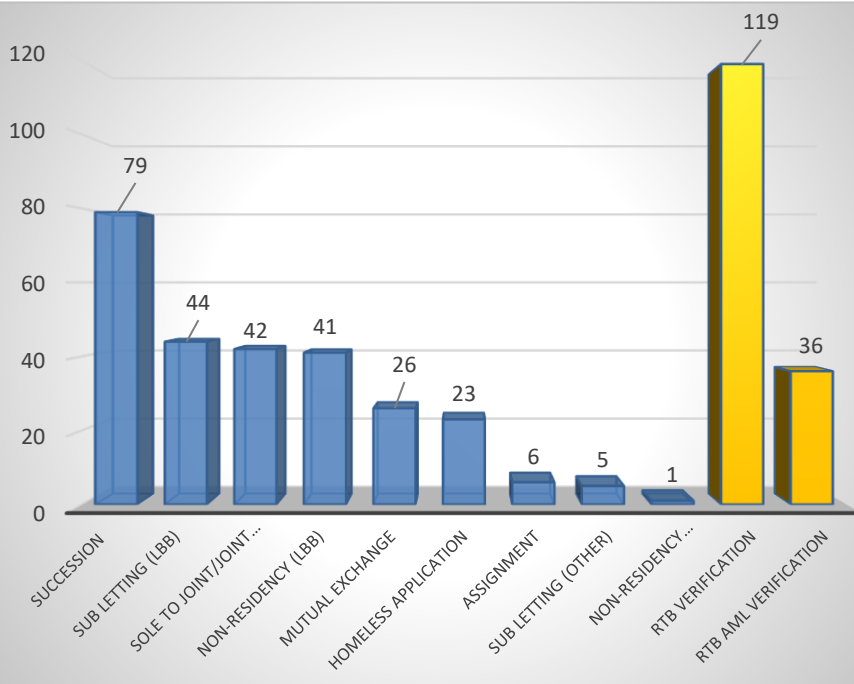
111 Right to buy applications for verification. **110** on-going investigations

433 Cases were closed in 2023-24

41 Properties recovered



New Fraud Referrals / RTB Verification Requests received in 2023-24



The majority of new tenancy fraud referrals related to properties in Burnt Oak with a total of **14.6%** of new cases in this area. Second to this was Colindale North with **12.6%** of new referrals in this area.



Closed cases in 2023-24

34 Properties Recovered (*Keys Returned*)

2 Properties Recovered (*Civil Recovery*) (*Court Costs £853*)

5 Prosecutions (including property recovery) (*court costs £2,792*) (*Compensation £8,900*)

6 Homeless Application denied.

12 RTB Applications Cancelled (*£1,534,800 asset value retained*)

3 Sole to joint / joint to sole Application denied.

139 Applications verified

5 Assignment Application denied

2 Succession Application denied.

1 Caution issued (*relating to homeless application*)

99 Right to Buy Applications Verified

1 Housing Application denied.

9 RTB AML checks not satisfied.

3 Mutual exchange Application denied.

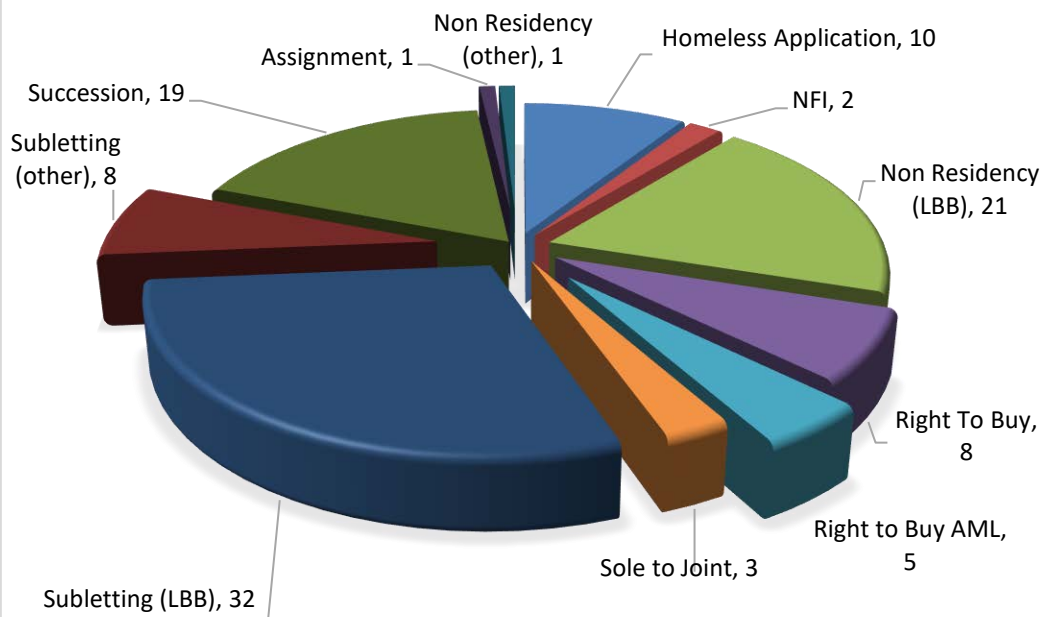
12 Insufficient Evidence

77 No Fraud identified

23 AML Checks Satisfied.

On-going Investigations

Areas of investigation for on-going cases



32 Subletting (LBB)
21 Non-residency (LBB)
19 Successions
10 Homeless Applications
8 Right to Buy
8 Subletting (other)
5 RTB AML
3 Sole to joint tenancy application
2 NFI
1 Assignment
1 Non-residency (other)

As a result of CAFT investigations **12** Right to Buy applications were stopped resulting in the properties being retained in council housing stock. Had the purchases been allowed to continue, LB Barnet would have offered a discount of £127,900 on each property. This equates to the authority retaining an asset value of **£1,534,800**.

41 properties (1 Studio, 14 x 1 bed, 19 x 2 bed and 7 x 3 bed) were recovered during 2023-24. This equates to a saving in temporary accommodation costs of **£1,313,272**.
1 further property was recovered where legal proceedings are on-going.

19 Cases are with legal. **6** of which are awaiting civil action.
1 is for both civil and criminal action.
2 prosecution cases for sub-letting.
1 prosecution for a false housing application
9 possession orders granted by the court awaiting eviction dates.

Pro-Active areas of work

During the first half year, the Tenancy Fraud team carried out a pro-active exercise looking at properties where the tenants were over the age of 92. The team looked at 89 tenancies as part of this review. Evidence obtained showed one tenant was abroad and had been since May 2022. The family insisted the tenant was resident at the social housing address, however when informed of the evidence they admitted the tenant would not be coming back to the UK and returned the keys to the property.

During the second half year, the Tenancy Team carried out a further pro-active exercise, looking at 19 properties where the tenants were over 75 years of age who had rent arrears of over £500. One tenant had been given a social housing property

on 22 March 2021, however evidence obtained showed they had never moved into the property and were living permanently in a care home, the keys to the property were returned and the property recovered.

Noteworthy Tenancy Fraud Cases

Case 1 – Mr A and Mrs S had a three-bedroom flat in Barnet, a referral was received from the Metropolitan Police who stated Mrs S had been arrested at a property which was not the social housing property where she was a tenant. She stated at the time of arrest that the address was her main residence. The police also confirmed her partner Mr A was in prison. The CAFT investigation found Mr A owned the property where Mrs S was arrested and was in fact living there whilst sub-letting her social housing property between July 2017 and March 2020. CAFT evidence showed that Mrs S had been receiving £800 per month in rent. In an interview under caution Mrs S provided a pre-prepared statement through her solicitor admitting she moved into the property owned by Mr A in 2017. Mr A stated in his interview he had nothing to do with the social housing property even though he was a joint tenant. The keys to the property were returned and the property recovered. Due to the evidence obtained during the investigation the case was passed to legal for prosecution. During the hearing at Harrow Crown Court Mr A pleaded guilty to sub-letting and admitted culpability for the offence of subletting, he was sentenced to 8 months imprisonment.

Case 2 – Mr S and Mrs S M had a two-bedroom flat in Cricklewood. As part of a proactive exercise, CAFT officers conducted an un-announced visit to the property. A gentleman answered the door and stated he was the tenant, however a CAFT investigation revealed that he was the sub-tenant of Mr S. The sub-tenant provided a witness statement and tenancy agreement confirming he had been renting the property from Mr S since October 2019 and paying £800 per month rent. Evidence obtained confirmed this and identified that Mr and Mrs S were living in Northampton. Mr S was interviewed under caution and denied sub-letting, he claimed when he works nights in London, on a 3 day on and 3 days off rota, his wife stays in Northampton to look after the children and when he goes back home, she returns to London. However, phone data evidence contradicted this and confirmed both Mr S and his wife living in Northampton and not returning to London at any time. Mrs S was interviewed under caution and stated she had split up with her husband 6 years ago and was living at the tenancy address as her main home, evidence obtained showed this not to be true. The keys to the property were returned and property recovered. The matter was passed to legal for prosecution. Both Mr and Mrs S pleaded guilty at Willesden Magistrates Court to sub-letting offences and were sentenced to a 4-month custodial sentence, suspended for 18 months and ordered to pay £3,000 compensation to Barnet Council.

Case 3 – Ms H had a two-bedroom flat in Friern Barnet, a CAFT investigation started following an anonymous referral, alleging that Ms H had been sub-letting her social housing property for over five years. Evidence obtained during the investigation found that Ms H had been sub-letting her social housing property to a number of different people from 1 January 2016 to 31 October 2022 whilst living with her Partner in Bromley. Ms H was interviewed under caution where she denied any wrongdoing, however when the evidence was put to her, she admitted to sub-letting the property. Ms H returned the keys, and the property has been recovered. Due to the period of time Ms H had sub-let the property and the financial loss to Barnet Council, it was deemed to be in the public interest to carry out criminal proceedings against her. At Willesden Magistrate Court Ms H pleaded guilty to sub-letting, she was sentenced to 150 hours unpaid work, ordered to pay £3,000 compensation and costs of £2,420.63.

Case 4 – Mr M had a one-bedroom flat in Barnet, a CAFT investigation started due to a referral received from Barnet Homes stating the tenant was living abroad. Evidence obtained found the tenant had been in Turkey for 11 months whilst allowing ‘friends’ to stay at the social housing property. Mr M denied any wrongdoing. The matter was referred to legal for a civil hearing for possession of the property. The matter was heard at Barnet County Court where an outright possession order was granted. An eviction took place, and the property was recovered.

Case 5 – Miss F had a studio-flat in Mill Hill, a referral was received by CAFT from the lodger of the tenant’s mother. It was alleged the tenant had not been residing at her social housing tenancy and had in fact been residing with her mother since she was given the property. Evidence obtained would suggest the tenant had been sub-letting her social housing property with payments of rent going into her mother’s account in a bid to hide the fraudulent activity. During an interview under

caution Miss F denied the allegations despite the evidence and witness statements that had been obtained. The matter went to both civil court and criminal courts. A hearing at Barnet County court resulted in an outright possession order being granted which led to an eviction process to recover the property. At Harrow Crown Court Miss F pleaded not guilty of offences under the Prevention of Social Housing Fraud Act 2013 (POSHFA), however after a trial, she was found guilty and sentenced to 4 months in prison which was suspended for 18 months and ordered to pay £500 compensation to Barnet council.

Case 6 – Miss O had a three-bedroom house in Edgware, a referral was received from a Barnet Homes housing officer, who had received information from a neighbour stating the property had pest issues, however checks by the housing officer showed the tenant had not made the complaint themselves. The matter was passed to CAFT where the investigation found that the tenant was living in Dunstable whilst sub-letting the social housing property for approximately 10 years. During an interview under caution Miss O denied any offences of sub-letting and insisted she lived at her tenancy address, but decided to return the keys and the property was recovered. Due the offence the matter was referred to legal for prosecution. At Harrow Crown Court Miss O pleaded guilty to offences under the Prevention of Social Housing Fraud Act 2013 and was sentenced to 22 months' imprisonment suspended for 22 months. She was also ordered to pay £2,400 compensation to the council.

Case 7 - Miss C-W had a two-bedroom temporary accommodation property in Harrow, a CAFT investigation started following a referral from Barnet Homes. During an un-announced visit, an un-authorized person was found at the property, they did not know the name of the tenant. Evidence obtained during the investigation would suggest the tenant had never resided at the temporary accommodation property and sub-let to others. The keys were returned, and the property was recovered, however, due to the tenancy being a licence temporary accommodation there are no criminal offences under POSHFA.

Case 8 – Miss Y had a two-bedroom temporary accommodation flat in Luton, a CAFT investigation started following an approach to Barnet Homes by Miss Y for social housing assistance with her two young daughters. She stated she had been evicted from her privately rented accommodation and was therefore placed into emergency temporary accommodation. Barnet homes carried out a visit with the managing agent and found that the subject did not have any possessions at the property. Evidence obtained during the investigation shows Miss Y was not residing the temporary accommodation property and was living in Hertford. Miss Y withdrew her application, the keys were returned, and the property recovered.

Noteworthy Cases relating to Open-Door Homes properties.

Case 1 – Miss E had a two-bedroom flat in Finchley Central, an investigation commenced following a referral from the neighbour opposite. It was alleged the tenant had been out of the country for over a year and only comes back every six months for two weeks, the referral also stated the tenant's son who is 7 does not attend school in the UK. Evidence obtained during the investigation found that the tenant had left the UK in July 2021 and was not using the tenancy address as her main and principle home since this date. The tenant remained abroad, however signed an end of tenancy form and the property was recovered.

Case 2 – Mrs C had a two-bedroom flat in Edgware, an investigation was started following a proactive exercise looking at tenants over 75 years old with arrears of over £500. Evidence obtained during the investigation found the tenant had permanently moved into a care home two years previously, a Notice to Quit was served and the tenant returned the keys, and the property was recovered.

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 **14** cases dealt with in 2023-24 relating to financial investigation

9 cases carried forward from 2022-23

5 New FI Cases opened in 2023-24

1 FI cases closed in 2023-24

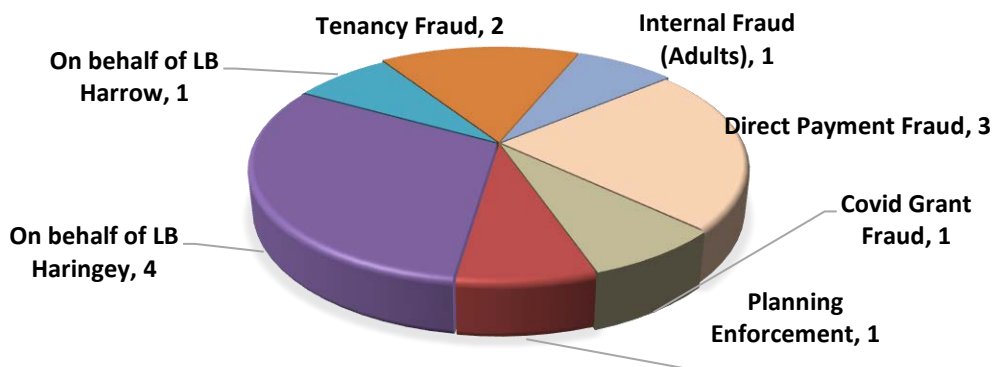
13 on-going FI investigations

Closed cases in 2023-24

1 Insufficient Assets

On-going investigations

AREAS OF INVESTIGATION FOR ON-GOING POCA CASES



4 On behalf of LB Haringey
3 Direct Payment Fraud
2 Tenancy Fraud
1 Planning Enforcement
1 On behalf of LB Harrow
1 Covid Grant Fraud
1 Internal Fraud

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 (ARA) for the administration of the funds

In addition to this scheme and in relation to the 30%, CAFT had local agreements in place with 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.

Under this scheme, the total allocation amount received from the ARA after relevant deductions so far this year amounts to £38,454.66. £8,780.50 of this is to be paid to other local authorities as per MOUs. LBB to retain £29,674.16. These amounts are part recoveries of planning cases from Haringey Council and Barnet planning cases. The details of these cases will be reported once the financial recoveries are completed.

Noteworthy Financial Cases:

Op Long Sword relates to partnership working with the London Borough of Haringey's planning department. The defendant had failed to comply with the requirements of a planning enforcement notice at a property to which they owned. At the address, the defendant unlawfully converted the property into six self-contained flats, when they only had permission to have two flats. The defendant had been found guilty at a trial that took place in October 2021 at Highbury Magistrates Court. The defendant had appealed the conviction, which was rejected at an appeal hearing in May 2022. The proceeding financial investigation found that the defendant had received approximately £163,258.14 in rent derived from the proceeds of their crime. On 09th February 2024 the Crown Court made a Confiscation order in the sum of **£163,258.14**, the defendant was fined £50,000 and ordered to pay costs of £13,175.18.

- **Op Long Sword:** confiscation order amount £163,258.14 (37.5% split = £61,221.80 – 7.5% top slice (Administration) = £56,630.17. Under the POCA joint working agreement with Haringey, 10% of the confiscation order amount awarded is retained by LBB plus the costs to carry out the investigation = £16,966.99 for LBB and £39,663.17 for Haringey. *This amount is in the process of being paid by the defendant and will be paid to LBB as it is processed via the Asset Recovery Agency.*