

Appendix 2 - Housing Tenancy Fraud Case Study's

Case Study 1:

The City secured both a successful criminal prosecution and recovery of a property at City of London Almshouses, following an investigation into a now former social housing tenant. Our investigation commenced following a referral from City of London Housing Benefits section after a data match identified that the claimant had received an undeclared sum of £16,000 into a bank account from the sale of a property. The investigation that followed revealed a premeditated fraud that had enabled the tenant to obtain successive tenancies at three different properties from 2009, two at Sydenham Hill and finally at Almshouses.

- When making his original housing application in October 2008, the tenant failed to declare ownership of a property in London. Land registry checks revealed that he had owned this property since 1998. Credit checks showed a number of financial links for him at this property.
- The tenant declared living at this address but stated that he was renting from a private landlord and that he had been asked to leave so required social housing.
- The tenant provided fabricated documents in the form of letters and tenancy agreements from a fictitious landlord in support for his claim to be renting privately.
- Checks revealed that the tenant was liable for council tax at the property he failed to declare until 2011 when he sold it and accrued £172,500.
- The tenant sought to accelerate his housing requirement by referencing his deteriorating health and immobility that then enabled him to transfer twice more to more suitable City of London accommodation following his initial tenancy in 2009.
- The tenant went on to buy another property in Ramsgate.

The tenant was interviewed under caution and after evidence was presented to him made a full admission in respect of his fraudulent intent and the level of dishonesty involved.

On the 20th November 2018, at Inner London Crown Court, the defendant was sentenced to 10 months custodial, which was suspended for 18 months. An early guilty plea was taken into account, along with his ill health and full admission. The defendant also paid back £20,000 to The City of London Corporation under The Proceeds of Crime Act.

The property is now let to others in far greater need of affordable housing.

Case Study 2:

The City secured both a successful criminal prosecution and recovery of a property following a successful investigation, after receiving an anonymous allegation in April 2018. It was alleged that the tenant was living with his partner at an address in Wales and only returning intermittently to his property to collect post. The tenant had occupied a studio property as the sole tenant since the year 2000 on the Golden Lane estate and was in receipt of Housing Benefit continuously.

Appendix 2 - Housing Tenancy Fraud Case Study's

- Credit checks linked the tenant to a property in Wales and a land registry check showed this property is owned by someone that the tenant had previously described as a partner in their initial housing application
- Internet checks show the tenant and his partner have a number of links to a region in Wales as artists.
- During a residency check carried out by the Investigation Officer a package was seen outside the property in the name of another person other than the tenant.
- Bank statements were obtained under the Prevention of Social Housing Fraud Act 2013 and they showed (ref: rent) along with the name of the person seen on the package outside the property. Monthly payments of rent beginning in November 2017 with a deposit of £1,577 and continuing with monthly instalments of £1,100 until April 2018 were detailed on the statements. Total amount of £7,077.00.
- An Interview Under Caution appointment letter was sent by recorded delivery to the tenant at the address in Wales and the Royal Mail record showed this was signed for by them.
- The tenant failed to respond to gas safety checks that were attempted at the social housing property, an imperative health and safety requirement.

The tenant was interviewed under caution and told a catalogue of mistruths about who was residing at the social housing property, only admitting the true circumstances when evidence was put to him. Initially the tenant allowed persons to stay at the property as a gesture for a long weekend. When questioned further the tenant said these persons may have stayed slightly longer and later that they paid a one-off payment. When bank statements showing rental income was presented, the tenant accepted they had lied and been dishonest throughout the interview. Furthermore, the tenant went on to say at the end of the interview that the sub-tenants had left the property a few weeks ago, when in fact they were observed leaving the property by Estates Officers at the same time as the tenant was being interviewed under Caution.

At City of London Magistrates Court on the 06/02/2018 the tenant pleaded guilty to the charge of 'knowingly' failing to use the property as his main or principle home and of sub-letting and parting possession with all or part of the property. He was sentenced to a 2 years conditional discharge. Taken into account were the guilty plea, the length of tenancy (19 years) and having no previous convictions.

The Unlawful Profit Order (the amount that the tenant received in sub-rent) is £7,077.00. As the tenant was in receipt of Housing Benefit throughout an overpayment of £2,528.78 was created, leaving £4,548.22 to be paid.

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Case Study 3:

The City secured a successful recovery of a property on the City's Avondale Square Estate, following an investigation into the social housing tenancy of a now former housing tenant. Our investigation commenced following a referral from a vigilant and proactive tenant on the estate who suspected wrongdoing at the property adjacent to

Appendix 2 - Housing Tenancy Fraud Case Study's

him and chose to report his observations. The tenancy began in 2011 at a 1-bedroom property.

- Credit checks revealed that the tenant was linked to 3 other addresses since his tenancy began and that other persons were linked to his social housing property.
- Land registry check revealed that the tenant jointly owned an expensive property in a salubrious area in London and financial links for them were now all at this address together with joint council tax liability.
- Possible sub-tenants were located at another property, for a period after their links at the social housing address. They refused to provide a witness statement detailing their circumstances at the property, only stating they had been allowed to stay with the tenant. This was implausible given the size of the property for two other persons and a young child.
- The financial links with other persons at the social housing address indicated probably multiple short term lets of a nature resembling Air bnb arrangements.
- Police Intelligence checks showed links with other persons at the property.

The tenant attended for Interview Under Caution with a legal representative and declined to answer a number of questions. The tenant agreed to relinquish possession of the property and given that some of the crucial evidence obtained in the initial referral was inadmissible in court and there was no proof of sub-rent being paid, The City of London Corporation decided not to progress criminal action against the tenant.

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