

<b>Committee</b>	<b>Dated:</b>
Housing Management & Almshouses Sub-Committee	16/05/2017
<b>Subject:</b> Tackling Social Housing Tenancy Fraud	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services	<b>For Information</b>
<b>Report author:</b> Chris Keesing, Anti-fraud Manager	

### **Summary**

This report provides Members with an overview of the work undertaken by the Chamberlain's Anti-Fraud team to tackle social housing tenancy fraud during the 2016/17 reporting year.

In total 31 investigations have been successfully completed, identifying nine housing application frauds, five right to by frauds and seventeen tenancy frauds, where the property had been unlawfully sub-let or obtained by deception. The associated value of social housing tenancy fraud identified by the team during 2016/17 amounts to £983,000.

The seventeen tenancy fraud properties referred to above have all been recovered by the City and have now been re-let to provide safe, secure and affordable housing to those in greater need.

Two successful social housing tenancy fraud prosecutions have been concluded at the Central Criminal Court during 2016/17, demonstrating our commitment to taking the most robust action against those that seek to defraud the City of London and deprive much sought after housing to those in genuine need.

A joint proactive exercise with the Home Office Immigration Enforcement Team, designed to identify no recourse to public funds fraud has resulted in 71 matches of potential fraud for review, whilst a proactive social housing tenancy fraud data-matching exercise, which has matched tenant data against credit reference agency data, has identified over 200 matches for review.

A City of London case study has been used by the Cabinet Office to highlight the successes achieved in implementing the NFI AppCheck solution to identify fraud at point of application for housing, providing positive publicity for the City Corporation.

### **Recommendation**

Members are asked to:

- Note the report.

## Main Report

### Background

1. This report provides Members with details of the City's response to social housing tenancy fraud during the 2016/17 reporting year. It also provides details of successful prosecution action and properties recovered under civil proceedings, along with our response to housing application fraud and right to buy fraud. Likewise details of our joint working and proactive initiatives to identify and tackle social housing tenancy fraud have been provided for information.

### Social Housing Tenancy Fraud

2. Social Housing Tenancy Fraud continues to be a key fraud risk area; the Anti-Fraud & Investigation Team, part of the Chamberlain's Internal Audit section, continues to provide investigative support across all aspects of Housing, from initial applications, to the investigation of tenancy breaches and right to buy concerns. The associated value of identified social housing tenancy fraud for 2016/17 amounts to £983,000; details of our work to date in this area are summarised in Appendix 1 to this report, whilst a summary of successfully concluded cases is noted in the table below.

<b>Discipline</b>	<b>Completed Investigations 2016/17 to Date</b>	<b>Investigation Value (£'s) 2016/17 to Date</b>
<b>Social Housing Tenancy Fraud – Property Recovered</b>	<b>17</b>	<b>270,000</b>
<b>Right to Buy - Fraud Identified</b>	<b>5</b>	<b>515,000</b>
<b>Housing Application - Fraud Identified</b>	<b>9</b>	<b>126,000</b>
<b>Total</b>	<b>31</b>	<b>£983,000</b>

Successful possession gained/housing application fraud value of £18,000 per property sourced from Audit Commission value of national average temporary accommodation costs to Local Authorities for one family. RTB discount valued at £103,000, per property.

3. Two successful social housing tenancy fraud prosecutions have been secured this reporting year, along with a further 17 fraudulently obtained or sublet properties recovered via civil court action or having been directly recovered from the registered tenants as a direct result of our investigations. Four further cases are currently subject to criminal proceedings and are with the Comptroller and City Solicitor for action.
4. A summary of the two cases successfully prosecuted at the Central Criminal Court in June 2016 and July 2016, along with three highlighted social housing tenancy fraud investigations, where successful recovery has been recently secured are detailed below:

## Prosecutions

- I. Jenis Ifill – a City of London social housing tenant since 2012 used counterfeit Home Office leave to remain documents to obtain social housing and housing benefit from the City of London. Ms Ifill was found guilty at the Central Criminal Court on 16 June 2016, following a ten day trial, of one charge of possessing a false identity document with improper intention, contrary to the Identity and Documents Act 2010, and four charges of dishonestly making a false representation to obtain council housing and housing benefits, contrary to the Fraud Act 2006. Ms Ifill was sentenced to fifteen months imprisonment for all charges, to run concurrently. A short report on the outcome of the case was published in the London Evening Standard on 20 June 2016, and also featured in the September 2016 quarterly housing newsletter, delivered to all City of London housing tenants. Civil action was successful in recovering the property.
- II. Fatima Garba – a City of London social housing tenant for over ten years, dishonestly sub-let her social housing property for profit. Ms Garba was found guilty at the Central Criminal Court on 18 July 2016, following a three day trial, of four charges of dishonestly making a false representation on social housing tenancy forms, contrary to the Fraud Act 2006. Ms Garba will be sentenced in September. The tenancy has already been recovered and is now let to a family in greater need.

## Highlighted Recovered Cases

- III. Pakeman House tenancy – following a referral from the City's Rents Officer, who had concerns that the tenant was sub-letting the property, we commenced an investigation which identified that the property was being occupied by two previously unknown persons, whilst the registered tenant was residing in the USA. Having identified contact information for the tenant in the USA, contact was made and it was established that the tenant was not intending to return to the UK. We were, however, successful in recovering the property after the tenant agreed to voluntarily return possession and repay rent areas of £1,000, saving considerable legal costs and court costs and mitigating the risk of high rent areas.
- IV. Penfields House tenancy – following a referral from a York Way Estates Officer, who had concerns that the property was being sub-let, we commenced an investigation which identified that the registered tenant was residing at a property he had owned since 2009, whilst sub-letting the City of London tenancy to another person. We formally interviewed the tenant under caution, but established that he suffered from mental health problems and in light of this, a decision was made not to progress to criminal prosecution. We were, however, successful in recovering the property from the tenant, with the sub-tenant leaving the property and all rent arrears paid without the need to take civil action, again saving considerable legal costs and court costs and mitigating the risk of high rent areas.

- V. Centre Point tenancy – following a referral from an Avondale Square Estate Officer, who had concerns that the registered tenant was abroad and other persons were residing at the property, we commenced an investigation which identified that the registered tenant was residing in Canada. We established that the tenant had obtained the tenancy in 2003 whilst living in the UK, and had returned to Canada to live with his wife; however, the tenant allowed another person to reside at the property as a sub-tenant, who was paying the rent, Council tax and utility bills. Being unable to interview the tenant under caution as he was not in the country, civil action commenced to recover the tenancy and the City was subsequently awarded possession.
5. In all of the above, the tenancies have now been re-let to those in greater need of housing, whilst successful prosecutions are publicised as a deterrent exercise in-line with our Social Housing Fraud – Anti-Fraud & Prosecution Policy.

### **Housing Allocations**

6. The Anti-Fraud team continue to support and work closely with the Housing Allocations team, in order to identify fraud from the outset and mitigate the risk of social housing being provided to those that have furnished fraudulent and/or misleading information in attempts to secure social housing from the City of London. In order to achieve this, we have introduced further measures including the introduction of an additional verification process, through a system called NFI AppCheck. The NFI AppCheck allows the City to verify whether applicants have interest in social housing elsewhere in the country, to verify addresses provided in some instances, and to establish if applicants are on Council waiting lists elsewhere. A further measure recently introduced allows the Housing Allocations Manager to undertake checks against credit reference agency data, thereby allowing the verification, or not, of personal, financial, and address history information provided by the housing applicant.

### **Case Study**

7. The Cabinet Office recently used the City of London Corporation in a case study, following our successful implementation of the NFI AppCheck service to identify housing application fraud at the point of application. The case study demonstrates our successes and outcomes in using this tool to check application data against data held by other local authorities, to identify fraud and inconsistencies, and provides positive publicity for The City's anti-fraud work in this area. The case study can be found at Appendix 2 to this report.

### **Proactive Anti-Fraud Activity**

8. The volume of pro-active anti-fraud activity undertaken by the Anti-Fraud team, in relation to social housing fraud has reduced in 2016/17, owing to the volume of, and increase in, reactive investigations; however, two key proactive fraud drives continue to progress around our reactive work, with a summary of activity provided below.

### Joint Home Office/City of London Fraud Drive

9. A proactive fraud drive with the Home Office Immigration Enforcement Team that seeks to identify no recourse to public funds concerns across our housing estates is progressing well. The exercise matches City of London social housing tenant data against Home Office data in order to establish if property has been obtained where the tenant has no right to it, owing to their immigration status. The Anti-Fraud team are in the process of reviewing 71 matches, highlighted by the data-matching where further investigation is required to review documents and information supplied by tenants, during their housing application, with support from the Home Office Immigration Enforcement Team.

### Credit Reference Agency Data-Matching Fraud Drive

10. A proactive social housing tenancy fraud drive that seeks to identify dishonest housing applications and illegal sub-letting, by matching tenant data against credit reference agency data, has identified over 200 matches. Such matches may indicate that tenants have owned property before obtaining social housing, meaning that they had no entitlement to housing with the City of London, whilst other matches may indicate that persons other than the tenant is residing at the property, suggesting sub-letting. Fifteen percent of the matches, all being high risk, are currently subject to review and/or investigation to establish whether fraud has been committed.
11. Any successful cases originating from these exercises will be included in our housing tenancy fraud statistics, as provided in Appendix 1 to this report.

### **Whistleblowing**

12. The City of London Corporation undertakes periodic publicity campaigns to raise awareness with residents and the public that they are able to report suspected cases of tenancy fraud (anonymously if they wish). A dedicated fraud hotline and email address, maintained by the Anti-Fraud & Investigation team is in place to enable reporting of concerns; likewise the City's Whistleblowing Policy provides an alternative avenue for reporting concerns directly to the City of London.

### **Conclusion**

13. The City of London Corporation has a joined up approach to tackling social housing tenancy fraud. During 2016/17, a total of thirty one successfully concluded investigations have returned seventeen social housing tenancies that were either obtained by deception or were being fraudulently sub-let, whilst nine fraudulent housing applications were detected and cancelled, and five fraudulent right to buy applications identified. Two serious cases were successfully prosecuted in the Central Criminal Court, resulting in custodial sentences for both, and demonstrating our commitment to taking the most robust action against those that seek to defraud the City of London and deprive much sought after housing to those in genuine need. Positive publicity has been generated from a recent case study involving the City's participation

in the NFI AppCheck system, whilst our joint working and proactive initiatives continue to yield positive outcomes.

### **Appendices**

- Appendix 1: Analysis of cases investigated during the 2016/17 reporting year
- Appendix 2: City of London Case Study

### **Contact**

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