

Member Training

February 2022

Introduction to the Counter Fraud Team

Paula Clowes – Head of Assurance

Karen Bellamy – Counter Fraud Manager

Paul Williams – Counter Fraud Investigator



Essex County Council

Role of Officers



Karen Bellamy - Counter Fraud Manager - reports directly to the Head of Assurance. Karen is responsible for managing the Counter Fraud Activity, incorporating preventative, detection and investigative work.

Paul Williams – Counter Fraud Specialist – assists with delivery of Counter Fraud activity

Hue Hewitt – Data & Intelligence Specialist – assists with data matching initiatives. Works across Counter Fraud & Internal Audit.

What is Fraud?



CIPFA COUNTER
FRAUD CENTRE

Any **intentional false representation**, including failure to declare information or abuse of position, that is carried out to **make gain, cause loss or expose** another to the risk of loss

Abuse of position, or **false representation**, or **prejudicing** someone's rights for personal **gain**



ActionFraud
Report Fraud & Internet Crime
actionfraud.police.uk

Fraud is when **trickery** is used to gain a **dishonest advantage**, which is often financial, **over another** person

Fraud Act 2006

- Three main ways of committing fraud, established by the Fraud Act 2006
- Fraud by...
 - False representation
 - Failure to disclose information
 - Abuse of position



Bribery Act 2010

- 4 offences:
- Offering a bribe to another person (Section 1)
- Accepting / Receiving a bribe (Section 2)
- Bribing a foreign public official (Section 6)
- Failure of a commercial organisation to prevent bribery (Section 7)



Adequate Procedures

TOP LEVEL COMMITMENT

PROPORTIONATE PROCEDURES, E.G DECLARATIONS
OF INTEREST, GIFTS & HOSPITALITY POLICY

RISK ASSESSMENT

DUE DILIGENCE

COMMUNICATION / TRAINING

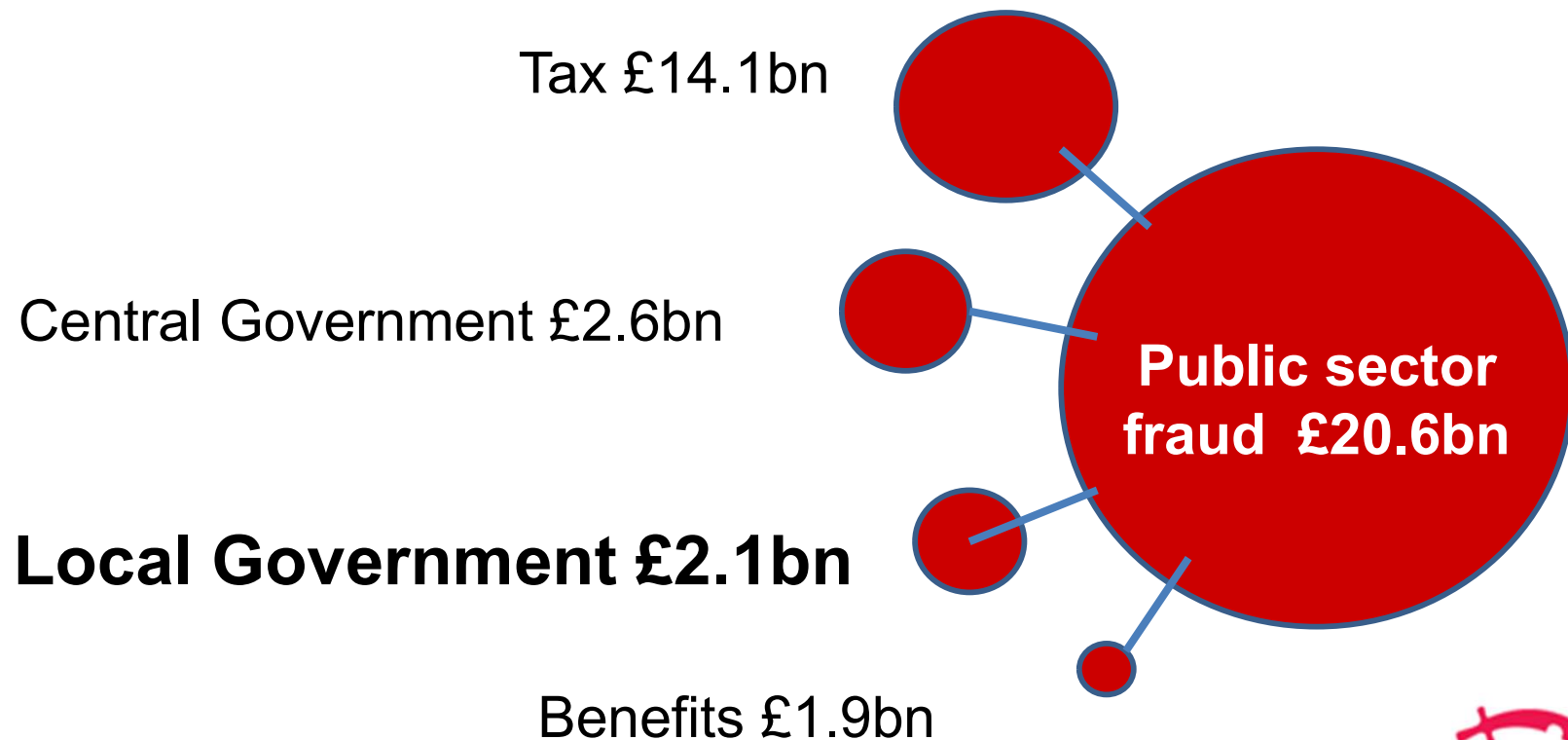
MONITORING & REVIEW



Fraud costs...

Losses to UK economy estimated to be £52 billion

Losses of £20.6 billion in the public sector.



Why does this matter?



Fraud can also lead to:

- Reputational damage
- Distrust
- Poor morale
- More expensive public services
- More serious offences

How is Fraud Discovered?

Internal & External Audit

Staff / Staff Changes

Whistleblowing

Data matching initiatives, e.g NFI

Technology

Control framework

Confessions



Fraud Risk Areas Affecting ECC

Social Care - Personal Budgets

Insurance Claims

Grant Claims

Deprivation of Assets /Capital – to avoid contributions to care

Employee Expenses

Phishing & Mandate Fraud

Schools



Fraud Related Work – What we do

Three key elements

- Prevention
- Detection
- Investigation



Prevention

TRAINING

- E-learning module refreshed – mandatory, therefore completed by all officers
- Be-spoke training sessions delivered
- Involvement with ECC projects and initiatives (control design)
- Internal Audit Activity



Detection

- National Fraud Initiative – data matching exercise hosted by the Cabinet Office every other year
- NFI Hub – pensions / blue badges
- Pan Essex data matching project – Council Tax
- Close working with Compliance Teams



Investigation

Approximately 150 referrals received each year

Around 60% social care related – e.g. financial abuse, deprivation of capital, abuse of personal budget

Other typical referrals include:

- Procurement / Provider concerns
- Bank Mandate Fraud
- Blue Badge misuse
- Grants



Outcomes

Sanctions:

- Prosecutions
- Disciplinary action
- Financial recovery
- Remedial action to prevent similar occurrences



Case Study – Personal Budgets



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would damage the town centre.

Ling admits benefit fraud

A WOMAN has admitted three more benefit fraud charges, taking the total to five.

Janet Ling, 60, of Catherine Close, Clacton, was due to face trial on three charges when she appeared at Chelmsford Crown Court but changed her pleas to guilty. She forged invoices for care so she could get money from Essex County Council.

Ling was convicted on two fraud charges relating to council tax and housing benefits earlier this year, netting her £70,000.

She was bailed ahead of sentencing next month and was warned she could be jailed.

PLANS to turn a former second-hand shop at 158 High Street, Dovercourt, into a wine bar have been approved by Tendring Council.

Case Study – Personal Budgets



- Employee who also had a personal budget
- Overstated assessed needs
- No reviews at home address
- PA details provided but did not work for service user
- Outcomes:
 - Dismissal
 - Prosecution – 16 month suspended sentence
 - HCPC action – caution on file for 3 years re fitness to practice
 - Repayment to ECC of £47k



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PARTNER TOOK ON ASSISTANT ROLE AND BUILDING WORK

Ex-headteacher gets lifetime teaching ban

By CARRI-ANN TAYLOR
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A FORMER Wickford headteacher has been banned from teaching for life.

The Education Secretary banned former Costedon School head, Carol Ritchie, from the profession after she admitted the counts of unacceptable professional conduct at a teaching tribunal.

She has been banned from the profession for life, although she may apply to have the order set aside after two years.

Ritchie, 57, employed her now husband, Colin Ritchie, as a teacher, assistant, despite knowing he had criminal convictions which would show up on a Criminal Records Bureau check.

She later employed Mr Ritchie's firm, CPR Management UK, to carry out building work at Costedon, which went

The facts centre on Ms Ritchie's failure to follow proper financial and recruitment procedures



Banned from teaching – Carol Ritchie during her time as headteacher of the school

more than £60,000 over budget.

A notice published on behalf of the Secretary of State Michael Gove, said: "The facts in this case centre on Mrs Ritchie's failure to follow proper financial and recruitment procedures at the school, procedures that were in place in order to ensure the appropriate use of public monies and to safeguard pupils."

"The financial failures happened on a number of occasions across a significant period of time."

"The admitted facts disclose failures that together demonstrate very poor judgment and a lack of compliance."

"Her poorer handling of other contractors led the panel to con-

clude that her disregard of procedures was both selective and deliberate."

The panel heard Mrs Ritchie, who was then known as Carole CRO, approached her then partner as a senior learning support assistant without the post being advertised, him submitting an application, attending an interview or having any previous experience.

He resigned, but three months later his company, CPR, based in

Lower Southend Road, Wickford, was appointed to carry out building work.

Mrs Ritchie ignored advice from Stephen Nunn, the school's human resources adviser, who said Mr Ritchie was not a suitable person to be employed at the school.

The panel found Mrs Ritchie did not go through the proper process when considering out six projects to CPR, including work to the car park, playground

resurfacing and a lounge conversion.

She also failed to get at least three competitive quotes.

Four of the six projects then ran significantly over initial quotes – by about £90,000.

Mrs Ritchie has 14 days to appeal the ban.

Parents at Costedon School were left in the dark after Mrs Ritchie took five months' paid leave and then resigned as head in 2012.

Governors confirm a full inquiry was held

GOVERNORS at Costedon School say they launched a full inquiry when Carol Ritchie's misconduct came to light.

Chair of governors, Nan Ashkettle, said the former head appeared before a school panel and was dismissed.

Ms Ashkettle said: "The school is bound by the Standardisation Scheme

"The close monitoring of all expenditure in excess of the headteacher's authorised limits are closely monitored by the full governing body at regular intervals. Additionally, monthly reconciliation checks are made."

"The Governing Body conducted a full inquiry when they realised the correct

adhered to and Mrs Ritchie appeared before a panel of governors and she was dismissed."

The findings were referred to the National College for Teaching and Leadership for further advice.

"The matter was referred to the police who, following investigation, decided not to

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Case Study – Abuse of Position



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Con mum spared jail because of children

By VICKY GAYLE
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A SHAMEFUL treasurer who stole up to £5,000 from her children's primary school was spared jail as an act of "mercy" towards her family.

When handing Donna Curtis, 41, a suspended six-month sentence, Judge David Turner QC, said to imprison her for a first time offence of dishonesty would be a "step too far" and those who would suffer most is her three children, aged 17, 14 and 12.

While Curtis was treasurer for the school's PTA she admitted fraudulently abusing her position by not accounting for all money and not paying all designated money into the bank account between February 2, 2012, and June 4, 2014.

Her wrongdoing was discovered when payments were delayed to fund a new reading hut for the



■ Court - Donna Curtis abused her position of trust

Anything that deprives them access to money, I regret to say is utterly shameful

misconduct. Anyone who is treasurer holds a high duty of responsibility for the parents. The primary school and children are supported by the generosity of the parents and their efforts in fundraising.

"Anything that deprives them access to money, I regret to say is utterly shameful."

Mr Turner recognised Curtis as a family-orientated, conscientious, and public-spirited person, who had a serious lapse.

But he admitted not being wholly satisfied the losses to the

school were fully accounted for, or to what extent Curtis personally benefited.

He added: "I suspect the bit about there been financial pressures in the family - I don't doubt for a moment that really impacted on you."

Gavin Capper, mitigating, at Chelmsford Crown Court, explained the family were in debt upwards of £30,000.

Her marriage was in a "bad place" which combined with financial worries, had put a strain on the family.

Curtis joined the PTA in 2005 and reluctantly later became treasurer to stop the group closing.

She was a learning support assistant at the time but later signed off work due to stress.

Curtis, of Harwich Road, Little Clacton, must also carry out 150 hours of unpaid work.

Case Study – Misappropriation of Assets



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Case study - Employee

- A member of staff used the internal post service to send personal e-bay sales. The parcels were sent via recorded delivery.
- Over a 3 month period 147 parcels were sent.
- Fraud twofold: Not only used public money to send personal items but also charged buyers the cost of postage when they hadn't incurred the charges themselves.
- Prosecuted in Magistrates Court, community service and fine



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Whistleblowing

- Committed to highest possible standards
- Encourage everyone to report their concerns
- Staff will be **protected** from **victimisation** and **reprisals**.
- Information can be provided **confidentially** and, if necessary, **anonymously**.
- Anonymous concerns are much less powerful, but will still be investigated.



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Contacts:^P

Helpline available:

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