



Date: 18 December 2013

Item 13: National Fraud Initiative 2012/13 Update

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to provide the Audit and Assurance Committee with an update on the National Fraud Initiative (NFI) exercise for 2012/13.
- 1.2 A detailed summary on all the fraudulent or potentially fraudulent activities is included in Part 2 of the agenda as an appendix.

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Background

- 3.1 The 2012/13 NFI exercise has returned just over 27,000 matches which is in line with the 2010/11 exercise, as detailed in the report to the Committee in March 2013. Subsequent reports detailed the work that was underway in reviewing and clearing the above matches with significant progress noted in clearing the taxi driver matches, which resulted in 23 drivers having their licences revoked, pension matches, insurance matches and duplicate creditor matches, which resulted in £160k of duplicate payments being identified. Since then a review into the Blue Badge Congestion charge has also commenced and details of that work are included in this report.

Taxi Driver Matches

- 3.2 This round of the NFI exercise has resulted in 23 drivers having their licences revoked. At the last meeting the Committee requested more details on these matches in light of new controls which were introduced after the last NFI exercise in 2011. These were designed to prevent licences being awarded to individuals not eligible to work in the UK.
- 3.3 A review into the matches shows all 23 drivers did submit evidence of their right to work in the UK at the time of application, which was reviewed and accepted, and so the additional controls brought in were adhered to. When the NFI matches were released in February 2013 these individuals, as well as all others who were on the NFI report, were asked to provide up to date evidence of their right to work in the

UK. The 23 individuals above did not submit evidence of their right to work in the UK in the specified timeframe and therefore had their licences revoked. The non-compliance with the deadline may be due to a variety of factors such as person moving away from the country or being alerted that their true immigration status is now known to the licensing office. Overall the number of licences revoked is significantly down from the 89 in the last round of NFI.

4 Progress Reporting

- 4.1 This report sets out the progress made since the last report in clearing the high priority matches and detailed results are included in Appendix 1 in the Part 2 paper.

Blue Badge Congestion Charge Exemption

- 4.2 A review of the report matching death records to the Blue Badge Congestion Charge exemption accounts has identified that no further action is required in 114 cases as the accounts have already expired. A further 862 accounts are live but there are no nominated vehicles on the account as at 1 November 2013. These accounts will therefore be closed to prevent any future use.
- 4.3 This leaves 2,710 accounts where the exemption account is live and there is a nominated vehicle on the account as at 1 November 2013. The account could therefore benefit from the exemption incorrectly if the nominated vehicle was to pass through the congestion charge zone. A letter will be sent to the address to which the account was registered, highlighting that the account will be closed as the Department for Work and Pensions has confirmed the Blue Badge is no longer valid. The occupiers at the address will have a one month period to respond to the letter, after which time the account will be closed unless evidence of entitlement has been produced

Pensions

- 4.4 Recovery of pension overpayments has continued and to date £9k of the total overpayment of £18k has been recovered. A further £2k has been written off as all steps to recover the monies have been exhausted. Recovery of the remaining £7k is in progress. The last report highlighted one case that although was previously known to the fund office, the date of death originally notified was different to the actual date of death as confirmed through the NFI process. The case has been investigated by the TfL Fraud and Security team, and due to insufficient evidence to pursue the case it has been closed.

Creditors

- 4.5 Recovery of TfL duplicate payments has continued and since the last report an additional £67k has been recovered. This brings total recovery to £122k out of total duplicate payments of £160k. Recovery of the remaining £38k is ongoing.
- 4.6 Crossrail has completed the review of its creditor matches and there are no issues to report.

Payroll

- 4.7 The previous report highlighted two employees who were asked to provide evidence of their right to work in the UK as the updated status from the UK Borders Agency suggest that they do not have the right to work in the UK. Both employees have provided evidence of their eligibility to work with one providing a British passport and the other providing a letter from the Home Office showing their case as being under review. The passport has been accepted as valid, the employee was born in the UK and the initial match arose due to data from the UKBA not being of good quality. The letter provided by the second employee is currently subject to further review. It has been sent to a direct contact in the Home Office to ascertain if it is genuine and if it is, whether or not the current immigration status places any restrictions on the employee's right to work. A reply is currently awaited from the Home Office.

List of appendices to this report:

A paper containing exempt information is included in an appendix on Part 2 of the agenda.

List of Background Papers:

None

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