



Date: 5 March 2014

Item 12: National Fraud Initiative 2012/13 Update

This paper will be considered in public

1 Summary

- 1.1 To provide the 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. Previous reports to this Committee have detailed the work that has been carried out in reviewing and clearing the above matches with significant progress noted in all areas. So far through this NFI exercise, £160k has been identified in duplicate creditor payments, pension overpayments of £18k have been identified and 23 taxi drivers who did not provide evidence of their continuing entitlement to work have had their licences revoked. The only areas where work is still in progress to review matches are the Blue Badge Congestion Charge matches and the payroll to immigration matches where in regard to one case an answer is being awaited from the Home Office on the employee's right to work in the UK. All other reports have been reviewed.

Taxi Driver Matches

- 3.2 A key requirement for awarding a taxi licence is proof of entitlement to work in the UK. The acceptable forms of proof are copies of passports for UK/EU citizens or passports and letters from the Home Office for non UK/EU citizens. All matches that initially arose as part of the NFI exercise had sent proof of their entitlement to work in the UK, this was checked and evidenced on file. The control was therefore adhered to in all cases.
- 3.3 When matches initially arise on the NFI report an updated immigration status is firstly requested from the Home Office to ascertain the latest immigration status.

Those matches that come back as having no right to work in the UK are then written to. The Taxi and Private Hire team wrote letters to 34 individuals asking them to supply fresh evidence of their right to work in the UK. 11 individuals submitted fresh evidence which was checked and verified. 23 individuals did not submit any fresh evidence and therefore had their licences revoked. As mentioned above, in all cases proof of right to work in the UK was submitted at the time of application and this was checked and evidenced on file. There is therefore no indication that this control is either not adequate or is not working.

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 paper on Part 2 of the agenda.

Blue Badge Congestion Charge Exemption

- 4.2 The previous report highlighted that there were 2,710 matches where there was a live exemption account and a nominated vehicle on that account. The account could therefore benefit from the exemption incorrectly if the nominated vehicle was to pass through the congestion charging zone. The Congestion Charging team are sending letters to the address where the account was registered, to highlight that the account will be closed if proof of entitlement cannot be produced.

Pensions

- 4.3 Review of matches has been completed and recovery of pension overpayments has continued with £9k of the total overpayment of £18k having been recovered to date. A further £4k has been written off as all steps to recover the monies have been exhausted and recovery of the remaining £5k is in progress. Since the last report a further three next of kin have been traced for beneficiaries of deferred pensions, this brings to 22 the total number of next of kin traced for deferred pensions and work is continuing to trace the next of kin in the other six cases.

Creditors

- 4.4 Recovery of TfL duplicate payments has continued and since the last report an additional £14k has been recovered. This brings total recovery to £136k out of total duplicate payments of £160k. Recovery of the remaining £24k is ongoing.
- 4.5 A review into the Tubelines duplicate vendors has been completed and this has not identified any issues. Matches arose as either different companies were sharing the same address or different subsidiaries were sharing the same bank account details.
- 4.6 The Financial Services Centre is currently undertaking a review of all standing creditor data in order to establish the level of duplicate vendors on the system as the percentage requiring corrective action from the sample checked was deemed significant. NFI matches that were not reviewed in the initial sample will be included in this vendor validation exercise and where required appropriate action will be taken.

Payroll

- 4.7 All payroll to payroll matches have now been reviewed and cleared. The one outstanding match that was being reviewed has been cleared as the match clearly related to different individuals. The match initially arose as the individuals had identical names and similar dates of birth but a review of photographic evidence and other personal data clearly showed they were different individuals.
- 4.8 There is one payroll to UKBA match that is still under review as an answer is being awaited from the Home Office with regards to the person's eligibility to work in the UK. While the Home Office have been able to confirm the employee has an ongoing case with them, and therefore currently has a right to reside in the UK, they have not yet confirmed if the person has a right to work in the UK.

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

Contact : David Goldstone, Chief Finance Officer
Number: 020 7126 4871
Email: DavidGoldstone@tfl.gov.uk