

*Jobseekers Allowance Girocheque
Offences*

JOBSEEKERS ALLOWANCE GIROCHEQUE PAYMENT FRAUD

SUMMARY

In Plymouth, a run of thefts and fraudulent encashment of Jobseekers Allowance girocheques was noticed by investigating police officers.

Research showed that during a five-month period, 97 girocheque related crimes were investigated by the police.

Three Jobcentres reported 794 girocheques losses during the same period.

The police investigated these crimes, hampered by scant details of circumstance, location, suspect, and in many cases, no witness statement to formalise the complaint.

A contributing factor to the volume of crimes **appeared** to be the relative ease with which an allegation could be made to the police, with few checks being made.

It was identified that a multi-agency approach to the problem was essential for it to be tackled successfully. The police, the Benefit Fraud Investigation Service and the Employment Service worked together to design a response.

In brief, the following actions were implemented,

With a central theme of crime' reduction, a form called a BFIS 1 was designed and incorporates a witness statement ensuring that details of what happened to the girocheque is recorded at the earliest opportunity.

Both the claimant and Employment service staff at the Jobcentre sign the form.

It is taken to the police station, where the loss is recorded, and a reference number noted on the BFIS 1.

It is stamped and returned to the claimant who takes it back to the Jobcentre where a replacement girocheque is considered.

New police working practices were introduced for the recording of girocheque theft/fraud and claimants presenting the BFIS1 being made subject of police checks.

When the BFIS are confident a fraud has occurred they interview the claimant. Only where a series or trend is identified is the case referred to the police.

This new approach was designed to impress upon claimants that each theft would attract detailed scrutiny.

The overriding aim is to decrease the number of false accusations of theft, reducing crime figures, wasted investigation time, and saving money for the treasury.

Early evaluation is encouraging. Figures for the five months between December 1999 to April 2000 see the following decreases from the same period the previous year.

Girocheques	1998-1999	1999-2000	% Reduction	Potential Saving
Reported lost to the ES	794	488	39%	£24,480
Reported stolen to police	59	10	83%	£1,862
Reported fraud to police	38	7*	82%	£14,136

* 6 frauds are recorded from before the start of the pilot period.

THE TILLEY AWARD 2000

TITLE OF PROJECT	JOBSEEKERS ALLOWANCE GIROCHEQUE PAYMENT FRAUD
NAME OF FORCE	DEVON AND CORNWALL CONSTABULARY
NAME OF CONTACT PERSONS	TONY DYSON AND SARAH TREVAINS
POSITION/R.ANK	CONSTABLES
ADDRESS	2 AREA-CRIME REDUCTION TEAM CHARLES CROSS POLICE SATION PLYMOUTH DEVON PIA 8HG
TELEPHONE NUMBER	01752 350622 or 01752 561534
FAX NUMBER	01752 363141 or 01752 561562
EMAIL ADDRESS	tony.dysonl @ virgin. net

INTRODUCTION

Three distinct and separate organisations were involved in tackling this issue.

1. The Benefits Agency, an executive agency of the Department of Social Security.
2. The Employment Service, (ES), an executive agency of the Department for Education and Employment.
3. The police.

The project was designed with the aim of achieving a reduction in the crime linked to Jobseekers allowance (JSA) benefit, namely the theft of Instrument of Payment (IOP) girocheques and fraudulent girocheque encashment. A major benefit to the police service is also a reduction in the time and resources spent in the investigation of these crimes. Whilst it is accepted that this type of crime does not fall within the Devon and Cornwall Constabulary annual plan; the time saved in this area will allow resources to be directed towards the Force priorities.

SCANNING

It was noted that police officers were spending time and resources in an inefficient way investigating these crimes. No process or agreements between partners had been developed to assist *officers*. This resulted in inconsistency and inefficiency in the crime investigation process.

Our partners at the Benefit Fraud Investigation Service (BFIS) also considered that the bulk of these crime reports were false allegations made in an attempt to receive more benefit allowance. The procedure adopted by the police in receiving these crime reports up until then was lenient, and a crime reference number could be obtained easily by telephone or by visiting a police station in person. Armed with the crime reference number the claimant was free to attend their local Jobcentre and obtain a replacement girocheque with few questions asked.

A further problem was highlighted in the lack of liaison between the three agencies, Police, BFIS and the ES.

Although this was not intentional it was often on an adhoc basis involving individual Police Officers contacting the other agencies when a crime required further investigation. Often the officer had to learn the process from scratch and struggled with the complexities of the benefit system. This sometimes led to vital information being overlooked and the investigation being hampered.

These problems were identified by the personal experiences of the authors who had in the past investigated numerous crime reports of this nature. It was whilst carrying out these investigations that it became necessary to liaise with the BFIS staff.

They in turn highlighted the fact that many such allegations were false, and the problems this caused within their own organisation.

The problems relating to the theft and subsequent fraud of Jobseekers allowance girocheques was given priority over other forms of benefit fraud such as benefit allowance books, as these books are widely altered by various means and then presented at Post Offices for payment.

These are rarely investigated by police officers therefore do not have an impact on police time and resources.

It was felt that between the agencies mentioned, a solution could be devised that would reduce the problems relating to Jobseekers allowance fraud.

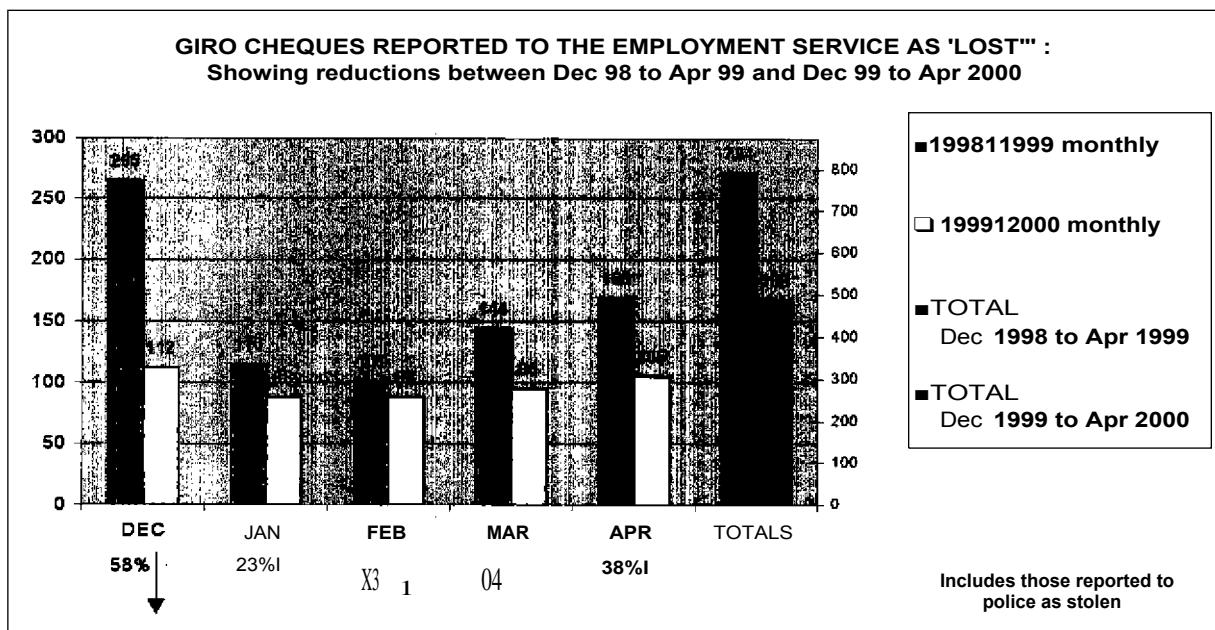
ANALYSIS

A questionnaire was produced and distributed to local community police officers in two areas of Plymouth who investigated the bulk of these crime reports, to ascertain if their problems matched our findings. The results from the thirteen respondents confirmed this with complaints of inefficiency and confusion. Opinions were also gleaned from police support staff working on the station enquiry desks who would record the crime allegations, again the same responses in the majority of cases were given, and they felt that it was a problem that needed rectifying.

The problem was analysed by using information supplied by the BFIS from the ES, and police computer systems. These information sources provided a benchmark for comparison at a later stage, once a possible solution had been put into place.

The analysis provided by data held on the police crime information system (CIS) revealed that there were contributing factors to the number of girocheque related crime reports. The data proved what had been suspected, that the time of year was a major factor, with the highest number of crimes recorded over the Christmas and New Year period. Also highlighted were the number of thefts recorded from multi-occupancy dwellings.

The ease in which claimants could report such offences and the relative ease of obtaining another payment were of great concern to all parties. The benefit system appeared to be regarded by the claimant as an easy tool with which to obtain extra income and used the police crime recording system in the same fashion to assist in doing so.



The Benefits Agency (BA) are hampered by strict government guidelines which insist on the speedy replacement of lost girocheques unless the BA can prove the claim is false at the time of the report.

This type of crime is considered victimless by the criminal and therefore more acceptable to many people. This is quite obviously not the case.

It was also suspected from the analysis that claimants involved in the abuse of drugs initiated a large number of the allegations of theft.

The general findings are that in the majority of cases, a report of theft is closely followed by the fraudulent encashment of the girocheque.

This gives the police officer conducting the enquiry two crimes to investigate from one incident.

The problem was analysed by police constables specially employed on the Plymouth crime reduction team as 'problem solvers'. These problem-solving officers are organised across Plymouth on the basis of one problem solver for each of the electoral wards. As this 'problem' was identified as not being confined to a particular electoral ward but to a far wider area, two police officers worked upon it.

There were gaps identified in the police CIS computer. At the time this computer did not list DSS girocheques as one category of property but listed them with other cheques, which contained the word 'Giro'. These would include Alliance and Leicester Girobank cheques subject of crime but not linked to the DSS in any way. The required information was obtained by accessing other areas of the computer, which proved to be a laborious task.

This gap was rectified on 16th May 1999 when two new categories of girocheque were added to the computer generated list namely 'DSS Giro' and 'Housing Giro'.

This change greatly assisted in the accurate collation of the information used to analyse this problem.

Another gap in the information that was desired were statistics from the BFIS to identify the number of Girocheques in their possession which were subject of crime and the values involved.

This information would have enabled a comparison between the number of crimes reported to the BFIS, but of which the police were unaware, as they had not been reported to the police. It was felt that these figures were not forthcoming for political reasons, as the true cost to society of these crimes, and the scale of the problem, would be revealed.

As these figures do not directly effect the police perspective, whilst desirable, they were not essential.

Response

The purpose of the response from a police viewpoint is to divert the claimant away from reporting a false allegation of theft concerning their girocheque in the first place, and to reduce and channel the reports that are received into either a loss or non receipt report. To this end and in consultation with officers from the Plymouth BFIS and ES the following procedure was agreed upon.

Under the previous system, the majority of claimants reported the theft, loss or non-receipt of their benefit girocheques to their Jobcentre, who sometimes, but not always, advised them to

I report the matter to the police, as a reference number was usually required before consideration was given to replace the girocheque.

I Experience showed that very few claimants attended the police station in the first instance, as their only concern was the replacement of the girocheque by the Jobcentre.

In the light of this, the initial action agreed upon ensured that claimants contacting the police wishing to report the theft, loss or non receipt of their girocheque would be advised to report the fact to the Jobcentre in the first instance.

i All requests to the police to provide a crime or loss reference number would be refused at this stage unless exceptional circumstances applied, i.e. victim of robbery, burglary or an obviously genuine theft.

Once the claimant reported the fact to the Jobcentre, a form which includes a statement of evidence would be completed listing the details of the missing girocheque, including the value and serial number. The form is then signed by the claimant and countersigned by the ES employee taking the report.

This form has been given the title of BFIS 1 and remains the property of the ES throughout any subsequent investigation.

U The purpose of the BFIS 1 is to commit the claimant to declare that a certain event has occurred, and to tie that person to a story, which is difficult to change at a later stage in the investigation.

■ It is not designed to discourage genuine claimants reporting that a criminal offence has taken place. It is intended as a tool for investigation.

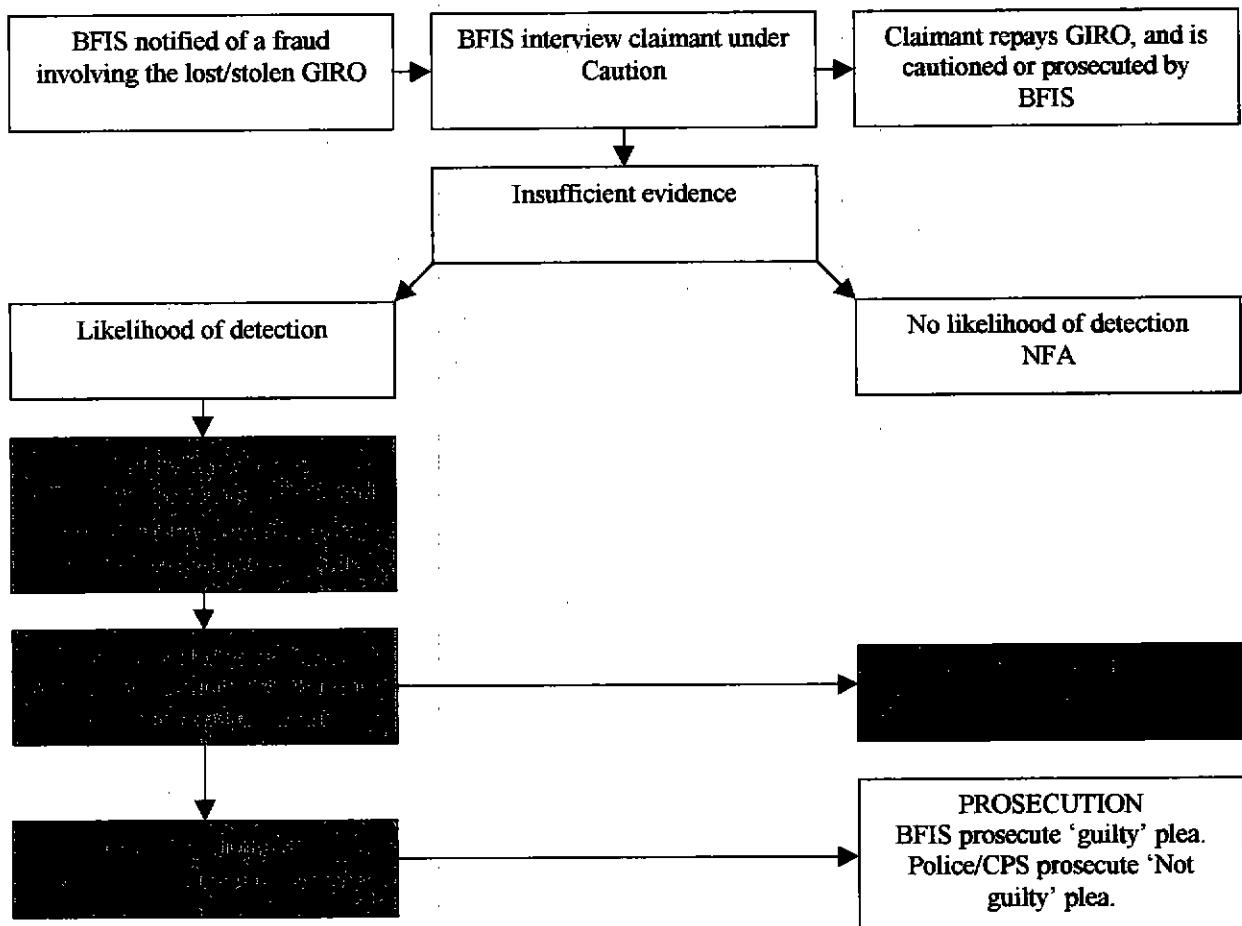
■ The next stage constitutes the claimant taking the BFIS 1 to either one of two designated police stations in Plymouth for registration. Either the crime or lost property reference number is added after police support staff have obtained full details at the police station enquiry desks. The form is stamped and photocopied before the original is handed back to the claimant for return to the Jobcentre.

■ A practice has evolved in Plymouth whereby each claimant reporting to the police station with a BFIS 1, is checked, using the details contained within the form, against the police national computer (PNC), the police CIS and the warrants database. The photocopy of the BFIS 1 contains valuable intelligence including the home address of the claimant and the address where the girocheque is delivered, together with the national insurance (NI) number.

U Any reported criminal offences are allocated to a police liaison officer dedicated to deal with these matters and which are suitable for desktop investigation.

■ Generally, experience has shown that false allegations of theft or fraud are accompanied by few avenues of enquiry, as the reporting person does not want police involvement, for obvious reasons.

GIROCHEQUE FRAUD FLOW CHART – SECOND STAGE

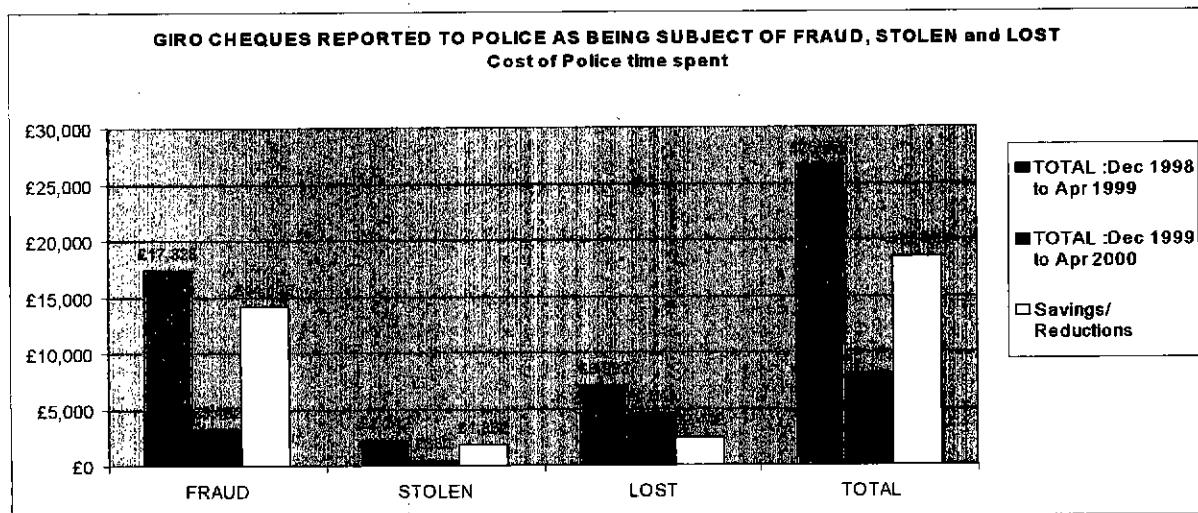
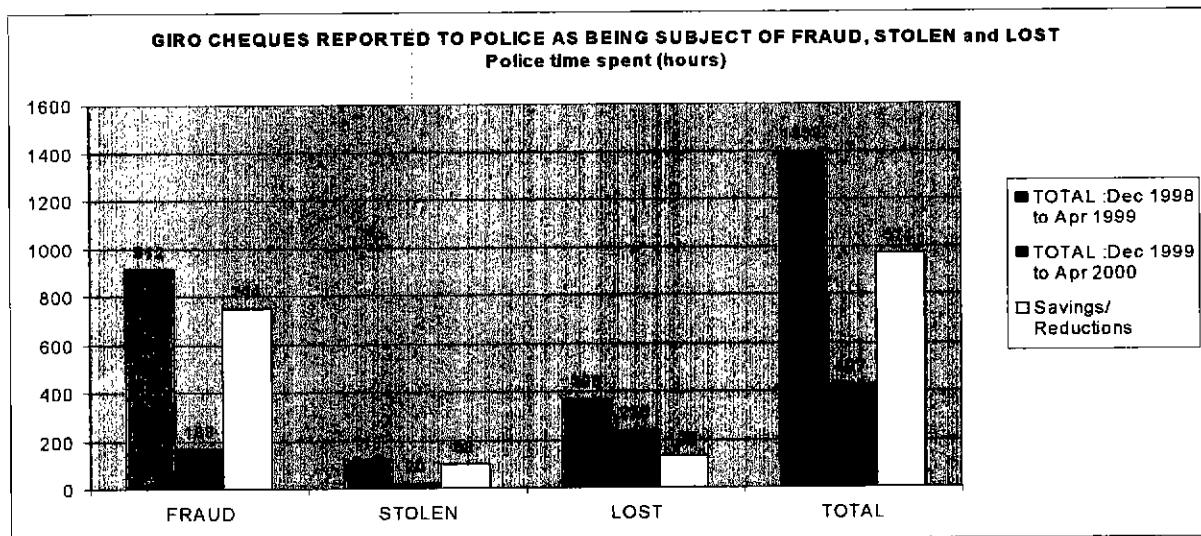


This response was chosen because the options available are limited, we were guided by various police, Benefits Agency and Employment Service policy that reflects legislation and case law. We could not deviate far from practices already in place when a crime or loss was reported, as we cannot dictate national policy in this area. It is the belief of the authors that the definitive solution to the continued abuse of the benefits system in this area lies with the Government.

The local and detailed knowledge of the practitioners, mainly from the BFIS played a large part in the design of the response. A great deal of psychology was employed in the formulation of the BFIS 1. Crime reduction ideas were included on the form in the sure knowledge that they would be read by the claimants whilst travelling between Jobcentre and the Police Station. These were designed to give the impression that each theft report would attract detailed scrutiny, but encourages a loss report with the impression that losses are not investigated.

The response was designed to divert claimants considering making false theft reports thereby reducing crime figures. A mechanism was also put in place to commit the claimant to a story, thereby increasing the value of subsequent fingerprint evidence obtained from the Girocheque.

There were no costed plans in place at the outset as it was envisaged that there would be no increase in the levels of resources applied to the response. Quite the reverse has occurred and savings to the police have been enjoyed.



The response was implemented by consulting with senior BFIS staff and a senior Police manager to discuss the problem and the solution. Once an agreement was reached a pilot scheme was planned to run over the six month period between December 1999 and May 2000 inclusive.

The ES staff were trained by the BFIS. The authors trained the police support staff employed at both of the Police Stations, as they conduct the bulk of the administration and the day to day running of the pilot project.

Difficulties encountered included existing policies within the police service detailing the method of recording crime, and the incorrect view that sufficient liaison with our partners already existed.

The quality of the BFIS 1 forms presented at the police stations remains an issue because they constitute important documentary evidence. There have been instances of missing detail and poorly completed examples handed in.

The ES occasionally employ casual staff who may not have received training in the completion of the BFIS 1 and perhaps do not realise the importance of accuracy. Training for both problems was the solution.

There is a constant review mechanism in place with monthly meetings between the partners involved and a similar number of departmental meetings within the police. Monthly statistics are provided by the ES, which was used as a tool to assess the success of the pilot. This data was forwarded to the senior police managers overseeing the pilot in the form of interim reports.

These meetings resulted in an agreement being reached with the BFIS midway through the pilot to fine-tune the process so that the BFIS would prosecute offenders who admitted a fraud to the police. They would in effect take the case back to their organisation to deal with the claimant if he or she admitted the crime. This is an added benefit to police time and resources.

ASSESSMENT

The success criterion was to reduce reported crime and police resource commitments and to foster closer liaison between partners involved in the investigation of these crimes, to increase efficiency in our respective organisations.

The response was successful and achieved what was intended.

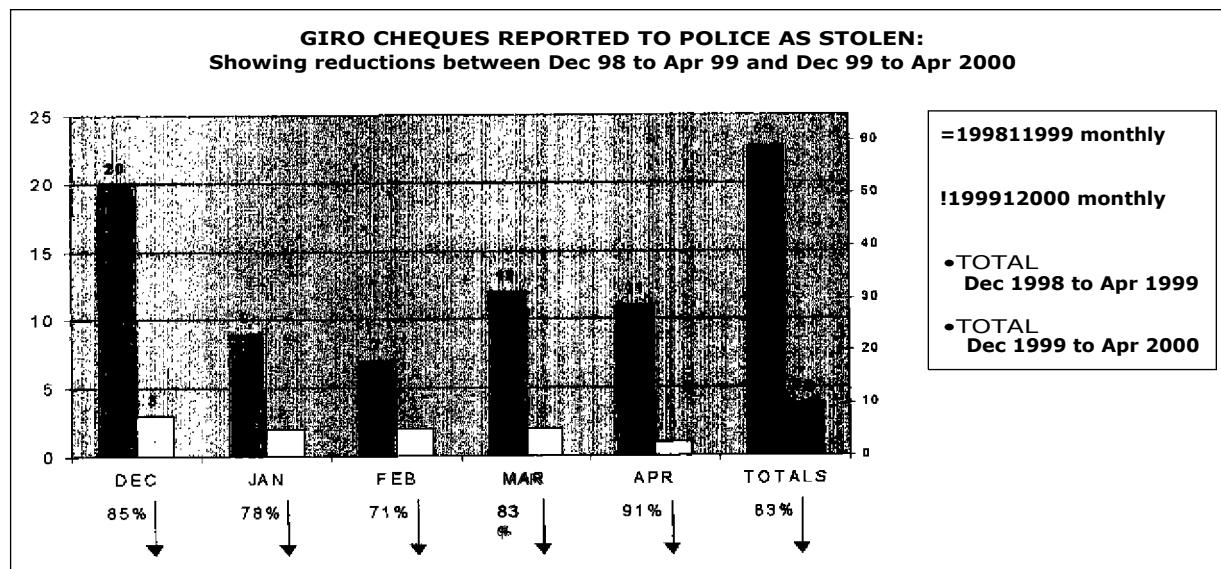
This achievement is supported by evidence from a month on month comparison of data from the police CIS computer and from the ES.

Favourable comments have been received from officers who until the start of the pilot investigated the crimes. They no longer investigate time-consuming crimes of this nature as they are dealt with wholly by the dedicated police liaison officer who carries out a desktop enquiry.

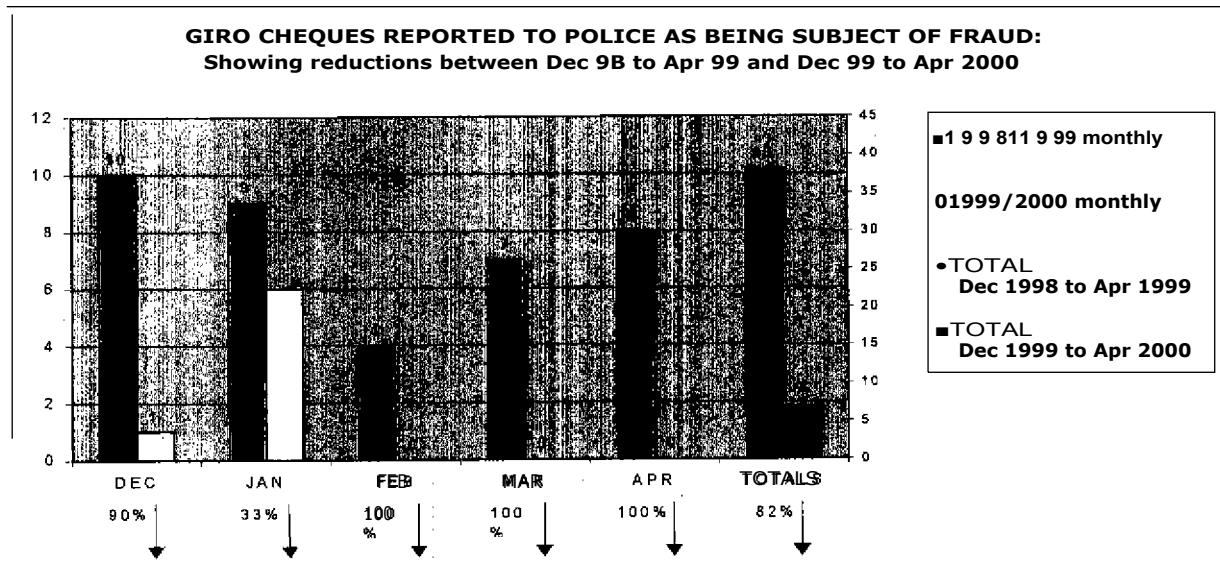
This time can then be spent on concentrating on crimes and other issues that fall within the Devon and Cornwall Constabulary Annual Plan for reduction i.e. domestic burglary, vehicle crime etc.

The method used to evaluate the project was to compare data obtained from the police CIS computer for the period of the project, with data obtained from the same source for the corresponding months of the preceding year, before the *project was* initiated.

Other data that was used was obtained from the Employment Service who similarly compared girocheque losses (theft, loss or non-receipt) reported to them over the same months. This



data from the ES includes all girocheques, which they have been asked to replace. Therefore their figures also include those that the police are involved with,



The individuals involved in evaluating the project were the BFIS staff including the Southwest Region Head of benefit fraud and the ES managers from the three Jobcentres involved in the pilot.

The senior police manager involved in the evaluation was assisted by a qualified business analyst who assisted in costing the savings made during the term of the pilot.

The pilot project was adopted only in the Plymouth area and is administered by a constable liaison officer who works part time_ She comfortably fits the work involved in with her other duties.

Police support staff who have received this extra burden carry out the day to day operation of this initiative with relish. There is little extra work involved as the BFIS 1 has already been completed at the Jobcentre. All they are required to do is make a crime report if applicable or an entry in the lost property book. They photocopy and stamp the BFIS 1.

What they all appear to enjoy is the checking of the claimant against the PNC, CIS and warrants database in the hope that they find someone who is wanted for arrest for some reason unconnected with their visit. In the first five months of the pilot over twenty five arrests were made at Charles Cross police station in Plymouth city centre, purely by checking the BFIS 1 in this way.

CONCLUSION

Each organisation has it's own ethos, objectives and priorities, some of which appear on occasion to be in conflict with the other.

An example would be the BFIS who during the pilot negotiated with the Jobcentres to increase the numbers of claimants with a poor record of losing girocheques, to make a personal appearance at the Jobcentre to collect and sign for it.

This was in contrast with the Jobcentres who consider it an objective to reduce the administrative burden associated with personal issue by reducing the number of claimants required to attend personally. By working together, this and other difficulties were resolved.

The following data shows the success of this project and is self-evident.

TOTAL :Dec 1998 to Apr 1999	912	£17,328	£0
TOTAL :Dec 1999 to Apr 2000	168	£3,192	£0
Savings/Reductions	744	£14,136	£0
TOTAL :Dec 1998 to Apr 1999	118	£2,242	£4,720
TOTAL :Dec 1999 to Apr 2000	20	£380	£800
Savings/Reductions	98	£1,862	£3,920
TOTAL :Dec 1998 to Apr 1999	367.5	£6,983	£58,800
TOTAL :Dec 1999 to Apr 2000	239	£4,541	£38,240
Savings/Reductions	128.5	£2,442	£20,560

* Police time for dealing with Fraud 24 hours, Stolen as 2 hours average and Lost as 1/2 hour.

** Police average constable cost taken as £19 per hour

*** Average Giro cheque value £80

Our partners have mentioned that JSA girocheque payment fraud forms only one facet in the work of the BFIS. There are other forms of IOP fraud which contribute a more significant loss to the treasury, but which are not such a burden on the police in terms of resources and time spent on investigation

The most common form of IOP fraud after the girocheque is the benefit book. These are simply altered by the use of a pin to scrape the print off a coupon and replace it with Letraset transfers.

They pose a potentially greater loss, with each book capable of producing up to £3000 to the fraudster. The large variety of pensions and benefits paid by the use of these books is wide and the problems associated with fraud evident.

How the criminal gains possession of the book in order that it is altered in the first place will be a concern to the police, as there must be a temptation amongst some members of society to make a false report of theft or loss. These false reports must therefore impact upon overall crime figures.

The potential to adapt this initiative with some modification, to encompass other areas of benefit fraud is evident. This would assist the police to reduce reported crime involving the books and it is hoped, would make savings to the treasury.

ACKNOWLEDGMENTS

Dave Irvine, Paul Mann, Bob Atrill
Steve Hatherley
Christine Welsh

Plymouth BFIS
Buckwell st. ES Jobcentre
Police business analyst

APPENDIX

A Example of a BFIS 1.

ADDITIONAL INFORMATION

Example of a form used in Plymouth to analyse a 'problem' SARA (blank).

Press Association releases dated Sunday May 14th 2000 and Wednesday May 10th 2000.

Employment Service

NOTIFICATION OF MISSING GIROCHEQUE TO THE POLICE

**THIS FORM IS TO BE TAKEN TO EITHER CHARLES CROSS OR CROWNHILL POLICE STATION FOR
REGISTRATION AND THEN RETURNED TO THE JOBCENTRE OF PAYMENT**

Witness Statement

(CJ Act 1967, S. 9 MC Act 1980, SS. 5A (3a) and 5B MC Rules 1981, R. 70)

Statement of.....(full names of claimant)

Age if under 18.....(if over 18 insert "over 18"). Occupation.....

This statement (consisting of one page signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated anything which I know to be false or do not believe to be true.

Dated the day of

Signature.....

I am the above named. Date of birth

National Insurance number

Employment Service notified address

Current address if different from above

I am reporting to the police that Benefit Girocheque number issued
Value £..... is not in my possession.

I am reporting this Girocheque :

As having been lost by me *

As having been not received by me *

As having been stolen *from me*

* Please delete as appropriate

I declare that I have not cashed the Girocheque or allowed anyone else to cash it.

I understand that if I give information that I know is untrue, I may face criminal prosecution.

I understand that the police will investigate any report of a stolen Girocheque and may require me to make a further detailed statement to enable a full Investigation.

Signature of claimant Witness

FOR POLICE USE

Details above noted.

Police Crime / Loss reference number

OFFICIAL POLICE STATION STAMP

Station : Charles Cross / Crownhill

SCANNING

WARD:

NUMBER:

PROBLEM TITLE:

DESCRIPTION: (where, when, 'how, who)

Source of problem information (tick one or more boxes)

- OIS data
- CIS data
- Your own research
- Your own background knowledge
- Ward Sergeant
- Contact with other officers
- Community/forms/meetings
- Local councillor
- Local authority -
 - Housing
 - Social Services
 - Education
 - Leisure
 - Environmental
 - Other
- Health
- School
- Other agency

(attach all relevant information)

RESPONSE/TASKING & CO-ORDINATING BID

WARD: _____

PROBLEM DESCRIPTION

1

OBJECTIVE (Based on '2 Area' Plan 1999/2000)

LABOUR DEFENDS RECORD ON BENEFIT FRAUD

Sunday, May 14, 2000 16:40

The Government today denied reports that social security fraud is costing the taxpayer £7 billion a year.

Total welfare spending was growing at its slowest rate for more than 50 years while the benefit fraud bill remained steady at between £2 billion and £4 billion a year, Social Security Secretary Alistair Darling said.

And £1 billion had been saved through a clampdown on income support, he told BBC1's *On The Record*.

'The position is that we know we lose between £2 billion and £4 billion a year in relation to fraud.'

When Labour came to power in 1997, two out of five income support cases were "wrong", Mr Darling said.

"We've halved that already, that saved £1 billion, and indeed if you look at social security spending as a whole it is now growing at the lowest rate than it has since the Second World War."

The Government was making the welfare system "more secure", he insisted.

'We are tightening the system but it's like everything else we inherited from the Conservatives – the system and social security was run down, it was lax, it needed to be reformed.

"We're making those reforms, they will take time to work their way."

The Department of Social Security would be in "far better shape" by the next election than it was when Labour came to power, he promised. Shadow social security spokesman David Willetts accused the Government of complacency over benefit fraud. Labour's 1997 election manifesto estimated housing benefit fraud alone cost the taxpayer £2 billion a year, while the latest figures showed successful prosecutions had fallen from 38% in 1998-99 to 18% in 1999-2000, he said.

"Alistair Darling's comments were typically complacent," Mr Willetts said. "He should stop trying to blame everyone else and start trying to improve the Government's performance."

O Press Association

BENEFIT FRAUD COSTS HOUSEHOLDS £80-A-YEAR

Wednesday, May 10, 2000 12:34

The public was today urged to take an active role in combating benefit fraud as the Government launched a new advertising campaign designed to highlight the £4 billion-a-year problem.

The Government hopes that the £2 million television and poster advertising campaign will help to engender zero tolerance towards those who defraud the benefits system, making it as socially unacceptable as drinking and driving.

A key objective of the Targeting Fraud initiative is to persuade the public to make greater use of the National Benefit Fraud Hotline to report their suspicions about possible fraudsters.

Unveiling the campaign in Whitehall, Social Security Secretary Alistair Darling said: 'We are challenging the idea that this is a victimless crime committed by loveable rogues.'

"Instead, these advertisements demonstrate all too clearly that the victims of benefit fraud are each and every one of us. Benefit fraud costs every household in this country more than £80-a-year."

"People would be rightly furious if £80 were taken from their pockets, and they ought to be furious with people who work and claim at the same time."

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Mr Darling said that defrauded money could be better spent on building new hospitals, employing more doctors and nurses or more teachers.

The Social Security Secretary said: 'Twenty years ago people shrugged off the idea that drinking and driving was one of those things that ought to be stopped. But advertising changed that. I want benefit fraud to become as socially unacceptable as taking a drink and then sitting behind the wheel.'

He emphasised that one of the objectives was to change the attitude of employers, particularly in, for example, the building trade, where collusion over benefit fraud between employers and workers was known to be common.

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Answering journalists' questions, Mr Darling dismissed as speculation reports that the Government planned to raise basic state pensions by £4-£5 per week next spring in an attempt to win back disaffected voters before the general election.

A report in today's Guardian suggested that the Government would significantly increase the winter fuel allowance, and that part of the increase would be consolidated into the basic pension, producing the £4-£5 a week rise for single pensioners.

Mr Darling commented: "The information that we have got now shows that the basic state pension will go up by over £2 for a single person, and £3 for a couple. It is a fact that the winter fuel payment at the moment is worth some £3 for each pensioner household (per week), and of course there's the free television licence on top of that."

Later this year, he would be publishing proposals for a pensioners' credit to help those pensioners with modest savings, Mr Darling added.

The benefits fraud campaign advertisements, which dramatise examples of people enjoying the illicit advantages of working and claiming benefits at the same time, will be piloted in the North West for six months in the form of television commercials, radio commercials and newspaper advertisements and billboards.

Mr Darling said that if the campaign proved effective, it would be extended across the country. Rolling out the campaign on a nationwide basis would cost £10 million a year. But Shadow Social Security Secretary David Willetts dismissed the Government's approach.

"This is typical New Labour - an advertising campaign instead of a strategy," said Mr Willetts.

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"Instead of talking tough, Alistair Darling should be acting tough. He could make a start by implementing the proposals in John Scampion's report on organised benefit fraud. It landed on his desk five months ago and is simply gathering dust.

"As it requires difficult decisions, Alistair Darling is waiting for Gordon Brown to tell him what to do. In contrast, we have announced a number of concrete proposals to tackle the problem of benefit fraud, including a single, national, benefit fraud squad as recommended in the report."

The number for the National Benefit Fraud Hotline is 0800 854440.

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