

Chapter 11 – Department of Social and Family Affairs

11.1 Overpayments

The Department of Social and Family Affairs administers some 50 welfare schemes paid through Vote 40 and the Social Insurance Fund. Expenditure on assistance and insurance schemes was €3.98bn and €3.52bn respectively in 2001.

Table 42, Table 43 and Table 44 outline overall expenditure on various schemes over the period 1997 to 2001, and for the same period, the amounts recorded as overpayments, the amounts of overpayments attributed to fraud or suspected fraud and the Department's cumulative record of recovery since 1997.

Table 42 - Scheme Expenditure

	1997	1998	1999	2000	2001
	€m	€m	€m	€m	€m
Social Insurance	2,339	2,518	2,681	2,993	3,517
Social Assistance	3,162	3,260	3,320	3,425	3,983
Total	5,501	5,778	6,001	6,418	7,500

Table 43 - Number and Amount of overpayments recorded for recovery (Numbers shown in brackets)

	1997	1998	1999	2000	2001
	€m	€m	€m	€m	€m
Social Insurance	5.69 (12,925)	5.26 (13,897)	7.66 (18,080)	6.39 (15,252)	6.79 (15,786)
Social Assistance	20.70 (21,759)	22.96 (22,054)	20.79 (21,346)	20.59 (18,110)	19.26 (14,274)
Total	26.39 (34,684)	28.22 (35,951)	28.45 (39,426)	26.98 (33,362)	26.05 (30,060)

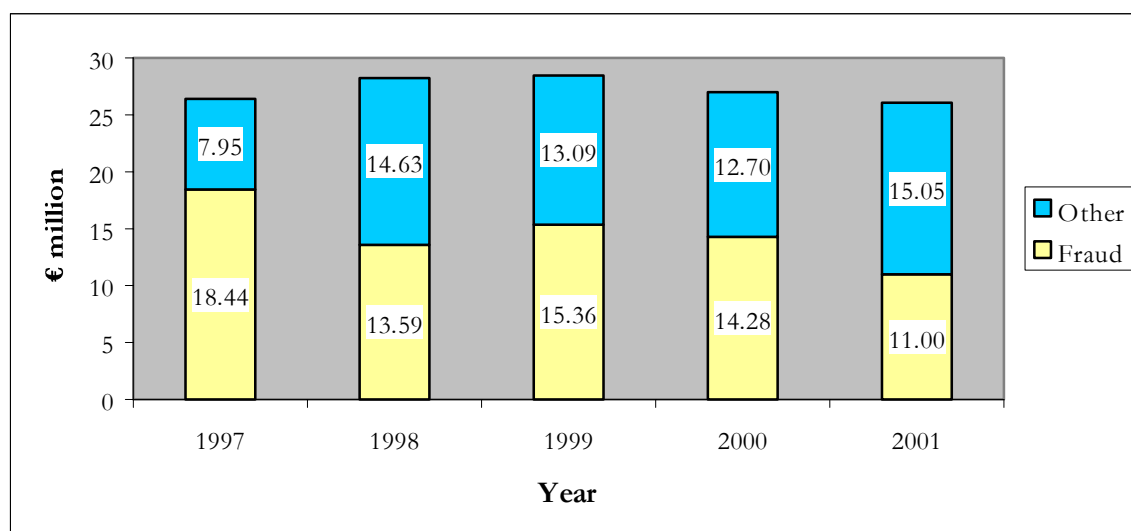
Table 44 - Number and Amount of overpayments attributed to fraud or suspected fraud (Numbers shown in brackets)

	1997	1998	1999	2000	2001
	€m	€m	€m	€m	€m
Social Insurance	2.56 (3,271)	2.75 (4,810)	3.22 (5,821)	3.39 (5,159)	3.27 (5,321)
Social Assistance	15.88 (7,914)	10.84 ¹¹ (9,383)	12.14 (9,273)	10.89 (7,466)	7.73 (5,350)
Total	18.44 (11,185)	13.59 (14,193)	15.36 (15,094)	14.28 (12,625)	11.00 (10,671)

The amount of overpayments attributed to fraud or suspected fraud compared to total overpayments since 1997 is summarised in Figure 5.

¹¹ This fall of over €5m was principally due to a change in the way the Department classified overpayments arising from the estates of recipients of non-contributory social welfare scheme payments. Prior to 1998 such overpayments were deemed to be attributable to fraud or suspected fraud.

Figure 5



The Department's record of recovery of overpayments during the period 1997 – 2001 is shown in Table 45.

Table 45 - Departments record of recovery of overpayments 1997 to 2001

	1997 €'000	1998 €'000	1999 €'000	2000 €'000	2001 €'000
Overpayments not disposed of at 1 January	44,545	47,716	53,619	60,581	64,374
Overpayments recorded for recovery	26,387	28,215	28,448	26,982	26,049
less					
overpayments recorded in prior years cancelled	(382)	(480)	(292)	(447)	(668)
sums recovered in cash	(5,889)	(6,775)	(5,154)	(7,464)	(9,873)
sums withheld from current entitlements	(5,428)	(4,927)	(4,198)	(4,999)	(5,185)
net amounts written off as irrecoverable	(11,517)	(10,130)	(11,842)	(10,279)	(9,245)
Overpayments not disposed of at 31 December	47,716	53,619	60,581	64,374	65,452

Of the €65,452,289 overpayments outstanding at 31 December 2001 - €16,799,088 dates from 2001; €17,650,370 from 2000; €16,941,424 from 1999 and €14,061,407 from earlier years.

Prosecutions

Cases involving abuse of the system are considered with a view to taking legal proceedings. Prosecutions are taken against employers who fail to carry out their statutory obligations and persons who defraud the social welfare payments system. Prosecutions can either be by summary or indictment proceedings. Civil proceedings are taken to facilitate the recovery of scheme overpayments or the collection of PRSI arrears. Such cases are only taken where it has been established that the debtor has sufficient means to discharge the debt.

During 2001, 163 criminal cases (2000- 263 cases) were forwarded to the Chief State Solicitor's Office for prosecution as shown in Table 46.

Table 46 - Criminal cases forwarded to the Chief State Solicitor

	2000	2001
Unemployment Assistance	164	98
Unemployment Benefit	56	43
Disability Benefit	8	9
Invalidity Pension	1	1
One Parent Family Payments	8	1
Other Schemes	4	2
Offences Committed by Employers	22	9
Total	263	163

A total of 192 prosecutions (2000 - 185 prosecutions) involving social welfare recipients were finalised in court in 2001. The total amount of overpayments assessed in cases of persons who attempted to or obtained benefits/assistance fraudulently was €915,471 (2000 - €846,609). The results of these 192 court cases and the penalties imposed are given in Table 47.

Table 47 - Results of Court Cases involving Social Welfare Recipients

	Fines Imposed ¹²	Community Service	Imprisoned ¹³	Probation Act	Proven No Penalty	Adjourned /Liberty to Re-enter	Bound to peace
Unemployment Assistance	62	1	27	22	11	1	2
Unemployment Benefit	22	-	7	8	7	2	1
Disability Benefit	4	1	-	3	2	-	-
Invalidity Pension	-	-	-	-	-	-	-
One Parent Family Payments	4	1	-	1	1	-	-
Other Schemes	-	-	2	-	-	-	-
Total	92	3	36	34	21	3	3

Prosecutions of 7 cases involving employers (2000 - 28 employers) were also finalised with 4 being fined¹⁴ and 3 recorded as proven/no penalty.

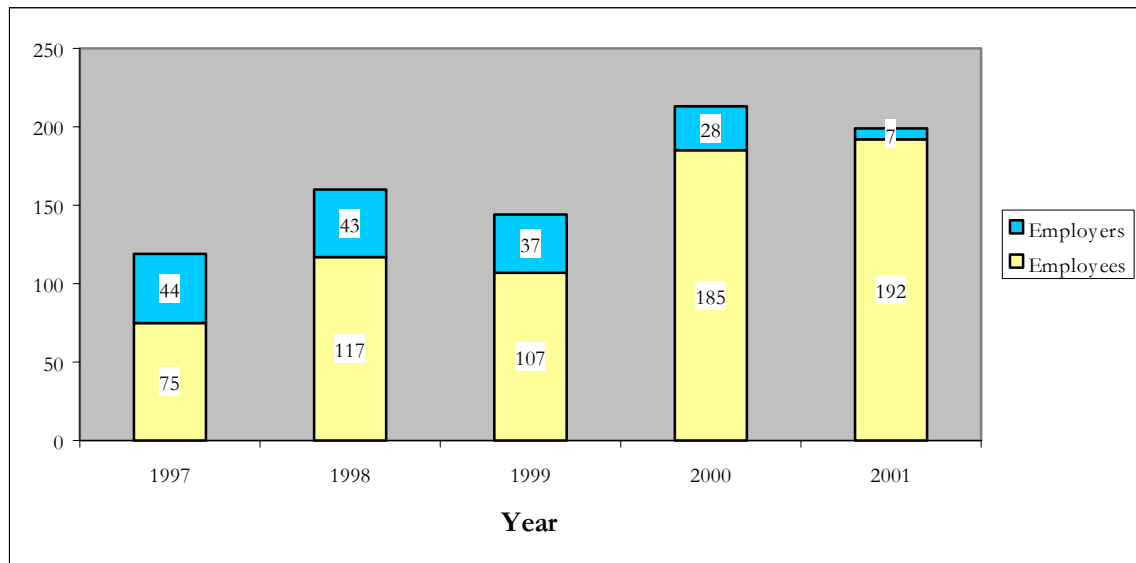
The number of prosecutions finalised in the courts since 1997 is summarised in Figure 6.

¹² Fines to a value of €30,588 were imposed by the courts (€34,624 in 2000 in 100 cases)

¹³ 33 subsequently suspended.

¹⁴ Fines to the value of €2,095 were imposed by the courts (2000: €10,044 in 22 cases).

Figure 6



A total of 52 civil cases have been forwarded to the Chief State Solicitor's Office since 1997. Table 48 details the history of civil cases forwarded and the cases still pending with the Chief State Solicitor's Office and Table 49 details the outcome of the 28 civil cases finalised.

Table 48 - Civil cases sent to the Chief State Solicitor's Office

	1997	1998	1999	2000	2001	Total
To CSSO	14	9	9	6	14	52
Finalised	11	8	3	1	5	28
Pending	3	1	6	5	9	24

Table 49 - Results of civil cases finalised

	Total
Settlement reached without going to court ¹⁵	18
Finalised in the Supreme Court	1
Not pursued due to the circumstances of the debtor	5
Case statute barred	1
CSSO unable to serve summons	2
Recovered by instalments	1
	28

¹⁵ €240,765 in overpayments were recovered in these cases out of a total overpayment €302,784 recorded.