

## **Chapter 37**

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### **Information Driven Controls**



## Information Driven Controls

37.1 Third party information can be used to focus review activities on claimants who may be accessing welfare payments fraudulently. The Department of Social Protection (the Department) receives a variety of data from third party sources including the following.

- The Revenue Commissioners provide it with data relating to the commencement of employment, annual earnings and property conveyancing.
- Student registration information is received from third level colleges.
- The Commission for Taxi Regulation provides information in respect of taxi and hackney licence holders.
- The Private Residential Tenancies Board provides owner and address details in relation to rental properties.

37.2 Information is also received from the Department of Justice and Law Reform, the Irish Prison Service, FÁS, the Private Security Authority, the General Register Office, the Department of Environment, Heritage and Local Government and other sources. Reports are also received from the general public.

### Chapter Focus

The chapter reports the results of a review of the extent to which certain information received was screened and referred to local offices for further investigation and the results of those investigations. The information reviewed in the course of audit related to Jobseekers payments.

## Central Control Unit

37.3 The Department's Central Control Unit matches third party data with the Department's own information in relation to claims in payment. It forwards possible overlap cases for investigation to local offices and scheme management.

37.4 Commencement of employment information is matched on a monthly basis with claimants' records in respect of all schemes. In relation to Jobseekers Benefit the comparison also takes account of qualified adults claimed for. In respect of individuals in receipt of Jobseekers payments and One Parent Family payments, the Central Control Unit writes to all of the employers involved for confirmation of commencement of employment data received from Revenue. Based on the replies received, the cases are referred to the Department's Special Investigation Unit or local office managers as appropriate. Instances where the commencement of employment data suggests that a claimant is concurrently working and claiming welfare payments are referred for investigation.

### *Shortcomings in Matching*

37.5 Under Departmental guidelines, one of the functions of the Central Control Unit is to compare annual earnings data received from Revenue, for claimants in respect of Jobseekers and One Parent Family payments, with the Department's own information. There is no evidence that this exercise was carried out in 2010.

37.6 The Department stated that the Unit plans to undertake a data matching exercise on earnings for the Jobseekers schemes later in 2011.

37.7 A number of issues were identified in relation to the timeliness of data matching and the subsequent follow up of cases as a result of such matching.

- In relation to commencement of employment, a review of matched data forwarded to the Southern Region for investigation in January 2010 revealed that 321 of the 4,129 cases referred had an effective employment commencement date in June 2009 or earlier. Of these, eight had commenced employment in 2008 and two had commenced employment in 2007.
- Information relating to third-level student registrations is generally not received by the Department of Social Protection until well into the academic year. Data for September 2009 registrations was forwarded for investigation in February/March 2010.

37.8 In relation to the timeliness of matching to commencement of employment data, the Department stated that this is, in some cases, down to delays in notification of employment by the employers but acknowledged that due to the pressure of work in Control Unit and limited skilled resources, there were some delays in data matching and forwarding of cases for investigation.

37.9 In order to address this, the Department's Control Unit is investigating more extended automation of this data matching process with a view to having cases matched more quickly and significantly reducing cases of concurrent working and signing. In addition, the Department is piloting a project whereby contact will be made directly with the customer in the first instance (rather than the employer as happens at present) to enable a more structured and timely approach to be taken.

37.10 In relation to matching with student registrations, the Department stated that the delay was due to the required information not being transmitted promptly, gaps in the information provided and in particular in instances where PPSNs were not supplied, as well as the Department's approach, which was to complete the matching exercise when all of the data had been received.

37.11 The Department stated that it has been in contact with all the colleges in an attempt to raise the awareness of the need to send in the student data as early as possible. From 2011, the Central Control Unit will make specific requests to all colleges. As the data is received, the Department will aim to match it – particularly in the case of the data from the largest colleges first – and to deal with matching as the data is received, as opposed to waiting until all information is available.

37.12 While the Department records information in relation to the types of data matching it conducts and the numbers of cases referred for investigation in relation to each category of third party data received, it does not monitor the extent to which cases referred result in payments being reduced or terminated.

37.13 The Department stated that in order to enable it to assess the overall value of the different types of matching, its Control Unit is examining how it can capture the outcome of these data matching exercises. In that regard, it aims to capture information at a regional level in relation to the type and number of cases referred, the number investigated and the outcome in terms of the number of payments reduced or terminated.

37.14 Details of new entrants to courses provided by FÁS are forwarded by that agency to the Department on a regular basis. The information is sent to local offices. The audit at the Southern and Dublin South regions indicated that the information had not been acted on in 2010.

37.15 The Department stated that

- procedures have been introduced at the Dublin South region to ensure that the FÁS list is checked against the claim records
- in the Southern region, while local arrangements operated in 2010, whereby local FÁS offices contacted local office staff directly, these procedures have recently been formalised and the list forwarded by the Central Control Unit is systematically checked against the claim records.

37.16 The Department is limited in its ability to match commencement of employment information with Non-contributory pension payments that include amounts in respect of qualified adults. This is because the IT system used to administer those payments has not got the facility to extract details of qualified adult dependants, for subsequent comparison with the commencement of employment data. As such, no use can be made of commencement of employment data which might relate to them.

37.17 The Department stated that the transfer of this scheme to a new computer system in 2011 will eliminate this restriction. The Department added that in any event, only 3% of claimants are being paid in respect of a qualified adult dependant and a large proportion of those are over 60 years of age.

### ***Referral of Cases for Investigation***

37.18 Data matching using commencement of employment data identified almost 62,000 cases for further investigation. 12,400 of those were because replies to employers' questionnaires had not been received. The remaining 49,500 related to cases where overlapping payments were apparent from a comparison of scheme records and the commencement of employment data.

37.19 The information supplied indicated that persons in receipt of welfare payments had commenced employment in the following instances.

- 25,000 persons in respect of whom Jobseekers payments were being made had commenced an employment. 4,500 of those cases related to instances where qualified adults in payment under Jobseekers Allowance had commenced employment.
- 12,000 recipients of Supplementary Welfare Allowance had commenced work.
- 9,200 persons in receipt of either Disability Allowance or Illness Benefit were reported as starting an employment.
- In 2010, 13,300 recipients of One Parent Family payments had commenced work. 7,700 were subsequently referred for investigation either because the employer had not responded to the questionnaires issued by the Department (3,420 cases) or the replies to the questionnaires issued indicated the claimant was earning in excess of €160 per week (4,280 cases).

37.20 Claimants identified for investigation as a result of matching with data other than commencement of employment included

- 26,372 students identified out of a total of 201,540 student registrations as being on welfare schemes.
- 2,735 individuals identified from Private Residential Tenancies Board (PRTB) information out of a total of 103,492 notified. In these cases, landlords included in the database provided by the PRTB were identified as being in receipt of payments under means tested schemes.
- 13,176 claimants identified from a total of 73,683 cases notified by the Commission for Taxi Regulation.

## Conclusion – Central Data Matching

Significant delays occurred prior to data being forwarded by Central Control Unit for investigation. In many cases, events had overtaken the investigation. The Department drew attention to delays in notification of employment from the employer but it acknowledged that delays on its part occurred during 2010 and stated that it has developed a number of revised procedures in this regard.

The timing of the receipt of some information militates against the Department's efforts to identify and minimise payments in excess of entitlement. While the data matching with student registrations identified about 26,400 cases requiring investigation, the information is received well into the academic year. This means that significant overpayments can have occurred by the time the case is investigated and there may be little prospect of recovery. The Department has stated that it intends to intensify its efforts to ensure that more timely data matching is achieved.

Matching payment data with commencement of employment information in 2010 identified about 62,000 cases requiring further investigation. About 20% of those arose due to a lack of response to employer questionnaires and the balance represented apparent overlaps.

Data matching in relation to earnings data supplied by Revenue had not been carried out in 2010.

The Department does not collect information in relation to the proportion of cases referred that are investigated and result in a reduction or termination of the relevant claimant payments. This information would allow it to evaluate the relevant usefulness of the different data received in identifying material payments in excess of entitlements. The Department has indicated that it intends to address this issue.

## Extent of Follow Up

37.21 Following its data matching, the Central Control Unit forwards lists of cases for investigation to local offices, Special Investigation Units and scheme headquarter offices as appropriate. During the audit a sample of individual cases referred to local offices and the Special Investigation Units in the Southern Region (Cork) and the Dublin South Region (Tallaght) were reviewed to establish

- whether there was evidence of the case having been referred
- whether the case was actually investigated and
- to what extent investigations had identified overpayments.

37.22 Figure 156 sets out the extent to which the referred data was recorded in the Southern Region, the extent to which it was investigated and an indication of the types of information that leads to the identification of overpayments. Figure 157 gives the equivalent information for the Dublin South Region.

**Figure 156 Disposal of Referred Cases, Southern Region**

Type of case referred	Sample size	Data from Control Unit on file	Investigated	Overpayment <sup>a</sup>
<b>Local Office</b>				
Commencement of employment	25	20	17	11
	<b>25</b>	<b>20</b>	<b>17</b>	<b>11</b>
<b>Special Investigation Unit</b>				
Commencement of employment	10	6	6	5
Students	5	1	1	-
Taxi licence holders 2009 <sup>b</sup>	5	3	3	-
Anonymous reports	10	8	4 <sup>c</sup>	-
	<b>30</b>	<b>18</b>	<b>14</b>	<b>5</b>
<b>Sample Result</b>	<b>55</b>	<b>38</b>	<b>31</b>	<b>16</b>

Notes: a These relate to cases where an actual overpayment was raised. In one further case, a claimant had his payment reduced without an overpayment being raised.

b 2010 data in respect of taxi licence holders was received by the Department in September 2010 but was not distributed to local offices until March 2011. It had not been investigated at the time of audit.

c These cases were already being investigated by the Special Investigation Unit as part of special projects which had not been finalised at the time of audit.

**Figure 157 Disposal of Referred Cases, Dublin South Region**

Type of case referred	Sample size	Data from Control Unit on file	Investigated	Overpayment <sup>a</sup>
<b>Local Office</b>				
Commencement of employment	30	16	6	2
	<b>30</b>	<b>16</b>	<b>6</b>	<b>2</b>
<b>Special Investigation Unit</b>				
Commencement of employment	10	8	4	3
Students	15	11	11	—
Taxi licence holders 2009 <sup>b</sup>	11	7	6	— <sup>c</sup>
	<b>36</b>	<b>26</b>	<b>21</b>	<b>3</b>
<b>Total</b>	<b>66</b>	<b>42</b>	<b>27</b>	<b>5</b>

Notes: a These relate to cases where an actual overpayment was raised. In a further seven cases, claimants had their payment reduced without the raising of an overpayment.

b 2010 data in respect of taxi licence holders was received by the Department in September 2010 but was not distributed to local offices until March 2011. It had not been investigated at the time of audit.

c In one of the seven cases examined, it was established that the claimant had received payment in excess of entitlement. The Department suspended payment from a current date but did not raise or pursue an overpayment. Two further claimants had ceased claiming by the time their case was investigated. Again, the Department did not raise or pursue an overpayment in either case.

37.23 The audit carried out at the two local offices found that in 66% of cases some evidence of this referral could be found on individual files.

37.24 Overall, 63 of the 121 referral cases had not been investigated. In five cases, the claimant was no longer in payment at the time of investigation which may have led to the decision not to investigate further. In the remaining 58 cases, there was no recorded reason for the lack of investigation.

37.25 Where investigation had occurred, overpayments were raised in 36% of cases. In a further eight cases, overpayments were not raised although the claimant had been deemed to be in receipt of payment in excess of entitlement.

### **Conclusion – Follow up of Cases Referred for Investigation**

Audit findings indicate that only 48% of cases referred from Central Control Unit had been investigated.

In the audit sample, 36% of cases actually investigated had resulted in an overpayment.

### **Conclusion**

The Department receives a significant amount of information from third parties. Matching this information with the Department's own information in relation to claims in payment allows it to identify instances of apparent fraudulent claiming of welfare payments.

A review of the Department's activities in this area during 2010 identified delays in the receipt and matching of some categories of information.

In response to the audit enquiries, the Department stated that it is putting new procedures in place to ensure more timely receipt of third party information and more efficient data matching.

The audit review found data matching identified large numbers of claimants where further investigation was required.

While a significant proportion of cases referred for investigation to local offices were not followed up, in those cases where investigations were completed, overpayments were raised in 36% of cases and in a further 14% of cases, claims were terminated or reduced.