

Chapter 12

Department of Social and Family Affairs

12.1 Overpayments

The Department of Social and Family Affairs administers some 50 welfare schemes paid through Vote 38 and the Social Insurance Fund. Expenditure on assistance and insurance schemes was €6.30bn and €5.46bn respectively in 2005.

Table 37, Table 38, Table 39, and Table 40 outline overall expenditure on various schemes over the period 2001 to 2005, 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 2001.

Table 37 - Scheme Expenditure

	2001 €m	2002 €m	2003 €m	2004 €m	2005 €m
Social Insurance	3,517	4,198	4,649	5,081	5,460
Social Assistance	3,983	4,940	5,460	5,821	6,296
Total	7,500	9,138	10,109	10,902	11,756

Table 38 - Number and Amount of overpayments recorded for recovery (Numbers shown in brackets)

	2001 €m	2002 €m	2003 €m	2004 €m	2005 €m
Social Insurance	6.79 (15,786)	9.72 (23,723)	10.60 (26,174)	12.12 (26,131)	11.02 (22,420)
Social Assistance	19.26 (14,274)	19.41 (15,084)	28.77 (17,459)	44.85 (20,000)	36.24 (17,126)
Total	26.05 (30,060)	29.13 (38,807)	39.37 (43,633)	56.97 (46,131)	47.26 (39,546)

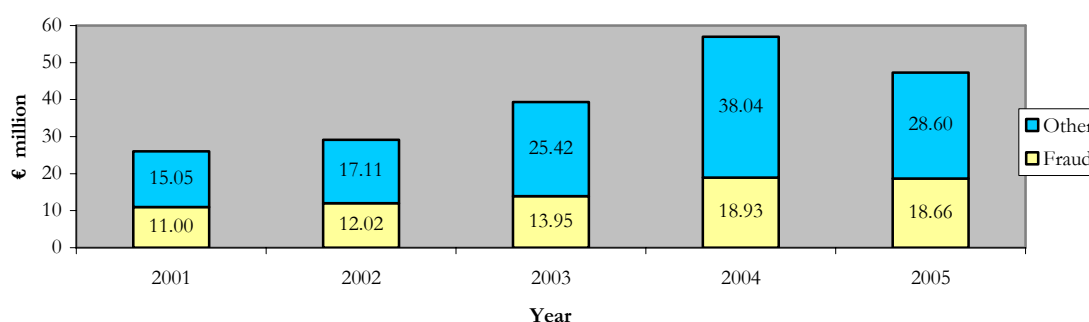
Table 39 Number and Amount of overpayments attributed to fraud⁴³ or suspected fraud (Numbers shown in brackets)

	2001 €m	2002 €m	2003 €m	2004 €m	2005 €m
Social Insurance	3.27 (5,321)	4.59 (8,121)	5.07 (9,606)	6.24 (10,771)	5.53 (8,587)
Social Assistance	7.73 (5,350)	7.43 (5,728)	8.88 (7,148)	12.69 (8,483)	13.13 (7,758)
Total	11.00 (10,671)	12.02 (13,849)	13.95 (16,754)	18.93 (19,254)	18.66 (16,345)

The amount of overpayments attributed to fraud or suspected fraud compared to total overpayments since 2001 is summarised in Figure 4.

⁴³ Estate cases where undisclosed means come to light are not classified as fraud/suspected fraud. The amount of overpayments recorded in respect of estate cases in 2005 was €6.2.

Figure 4



The Department's record of recovery of overpayments during the period 2001 - 2005 is shown in Table 40.

Table 40 - Departments record of recovery of overpayments 2001 to 2005

	2001 €'000	2002 €'000	2003 €'000	2004 €'000	2005 €'000
Overpayments not disposed of at 1 January	64,374	65,452	70,621	85,953	115,993
Overpayments recorded for recovery	26,049	29,130	39,367	56,967 ¹	47,261
less					
overpayments recorded in prior years cancelled	(668)	(394)	(381)	(693)	(1,826)
sums recovered in cash	(9,873)	(8,892)	(10,397)	(11,506)	(11,246)
sums withheld from current entitlements	(5,185)	(6,734)	(6,521)	(8,332)	(8,715)
net amounts written off as irrecoverable	(9,245)	(7,941)	(6,736)	(6,396)	(10,217)
Overpayments not disposed of at 31 December	65,452	70,621	85,953	115,993¹	131,250

¹. Revised

Of the €131,250,158 overpayments outstanding at 31 December 2005 - €34,295,696 dates from 2005; €38,787,682 from 2004; €22,834,566 from 2003 and €35,332,214 from earlier years.

The Accounting Officer attributed the fall in the number and value of overpayments in 2005 to initiatives taken by his Department to deal with overpayments and combat fraud.

Specific control initiatives undertaken by the Department in 2005, which led to the identification of significant levels of overpayment included

- The Lower Back Pain Project
- A Disability Allowance mail shot where payments are made using electronic funds transfer
- Data-matching exercises involving
 - o Special Investigations Unit in unemployment cases;
 - o And in One -Parent Family (OPF) cases
 - o student unemployment cases
 - o Child Benefit in OPF cases
 - o The General Register's Office data-matching (Marriages and Deaths)

12.2 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 2005, 412 criminal cases (2004 - 476 cases) were forwarded to the Chief State Solicitor's Office for prosecution as shown in Table 41.

Table 41 - Criminal cases forwarded to the Chief State Solicitor

	2005	2004
Unemployment Assistance	197	191
Unemployment Benefit	153	226
Disability Benefit	19	9
One Parent Family Payments	19	23
Other Schemes	10	10
Offences Committed by Employers	14	17
Total	412	476

A total of 256 criminal prosecutions (2004 – 259 prosecutions) involving social welfare recipients were finalised in court in 2005. The total amount of overpayments assessed in these cases of persons who attempted to or obtained benefits/assistance fraudulently was €1,346,770 (2004 - €1,116,492). The results of these 256 court cases and the penalties imposed are given in Table 42.

Table 42 - Results of Criminal Cases finalised in Court in 2005

	Unemployment Assistance	Unemployment Benefit	Disability Benefit	One Parent Family Payments	Other ⁴⁴	Total
Fined ⁴⁵	46	56	4	6	4	116
Community Service	3	3	0	0	0	6
Imprisoned	3	1	0	0	0	4
Probation Act	33	41	5	5	1	85
Suspended Sentence	17	5	1	1	0	24
Struck-out	4	2	1	0	1	8
Dismissed	2	0	0	0	0	2
Bound to the Peace	2	0	0	0	0	2
Liberty to re-enter	4	2	1	0	0	7
Decree Obtained	1	0	0	0	1	2
Total	115	110	12	12	7	256

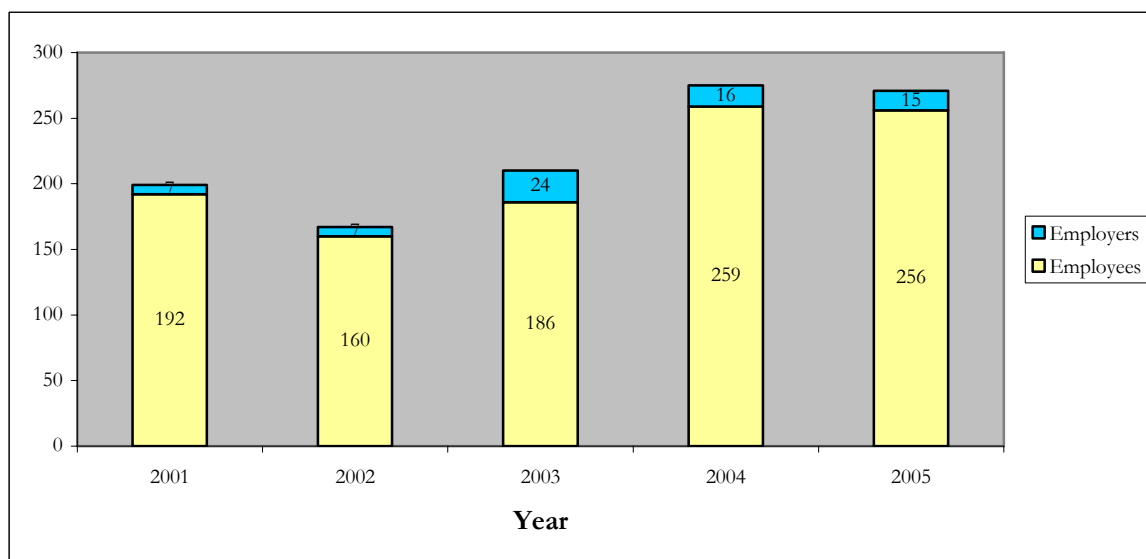
⁴⁴Other 7: Disability Allowance 2, Invalidity Pension 1, Old Age Pension 2, Liable Relative 1 and Carers 1

⁴⁵Fines to a value of €56,525 were imposed by the courts (€68,886 in 2004 in 144 cases)

Prosecutions of 15 cases involving employers (2004 – 16 employers) were also finalised with 14 being fined⁴⁶ and 1 receiving a suspended sentence.

The number of prosecutions finalised in the courts since 2001 is summarised in Figure 5.

Figure 5



Between 2001 and 2005, a total of 76 cases were sent to the Chief State Solicitor’s Office (CSSO) for the pursuit of civil proceedings. In this period, 66 cases (including 49 pre-2001 cases) have been finalised. The breakdown per year is set out in Table 43

Table 43

	2001	2002	2003	2004	2005	Total
Sent to CSSO in the year	14	11	21	17	13	76
Finalised in the year	8	11	14	12	21	66

Of the 66 finalised, settlement was reached in 8 cases without going to court (this involved recovery of €92,868), 2 were finalised in court (decrees awarded), 12 cases were not pursued due to the circumstances of the debtor, 10 cases were statute barred, 34 made arrangements to repay the debts in instalments. There are 78 cases that have yet to be finalised.

⁴⁶ Fines to a value of €8,370 were imposed by the courts (€7,039 in 2004 in 14 cases).

