



An Roinn Gnóthaí Fostaíochta
agus Coimirce Sóisialaí
Department of Employment Affairs
and Social Protection

Compliance and Anti-Fraud Strategy

2019 to 2023

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Minister's Foreword

I am delighted to present my Department's new *Compliance and Anti-Fraud Strategy 2019 – 2023*. This strategy builds on the strong results from the previous Compliance and Anti-Fraud Strategy for the years 2014 to 2018, which are shown in Appendix 2. It ensures that a clear and strategic approach in preventing and detecting social welfare fraud and error underpins the work of the Department.

The overall aims of the new Strategy are:

- to prevent fraud and error entering the social welfare system;
- to discourage non-compliance with the social welfare system;
- to detect instances of suspected fraud and error as quickly as possible; and
- to have appropriate governance & oversight arrangements in place

It is generally accepted that the majority of people claim and receive payments to which they are legitimately entitled. In order to protect the integrity of the system and ensure that we continue to target available supports to those who need it most, it is essential to combat social welfare fraud and error. The strategic objectives give a clear focus to our approach in tackling fraud and non-compliance over the next 5 years. They should also give strong assurances Irish society generally, that the system of control that we operate is robust and effective.

Our approach is underpinned by a comprehensive implementation plan, which outlines how we intend to achieve our strategic objectives. Of course, we must remain alert to new and emerging forms of fraud, and so our approach remains flexible and dynamic in terms of how it is structured.

Finally, I would like to thank all the contributors to the consultation process which helped to create this strategy, including stakeholders bodies (NGOs) in the field of social protection, other Government departments and internal staff members from my own Department.

REGINA DOHERTY T.D., Minister for Employment Affairs and Social Protection.

August 2019

Introduction

The Department of Employment Affairs and Social Protection (“the Department”) provides a wide range of services to families, people in employment, unemployed people, people with illnesses and disabilities, carers and older people across the state. The Department spends approximately €20 billion annually.

Services are delivered through around 70 separate schemes and programmes. Some are delivered in partnership with third party organisations, other government departments and state agencies.

The Department is committed to ensuring that only those people who are eligible receive welfare and other payments. Our overriding objective is to ensure that that we pay the right people, the right amount, through the right scheme/programme, at the right time.

This Strategy covers the five years from 2019 to 2023. Over that time, the Department will face a number of challenges, from a current situation of almost full employment to the economic and political implications that will flow from Brexit. Work patterns and employment practices will also change over the coming years. Internally, the Department has an ambitious digital-driven strategy to transform customer experiences and increase efficiency over the next few years. Our approach must, therefore, be flexible and dynamic so that we can respond to these challenges and ensure that we remain alert to new and emerging forms of fraud and non-compliance.

We must also continue to support and develop our staff and our systems so that our compliant customers receive the best customer service possible, while further enhancing our risk strategies to ensure that those customers who defraud the system are dealt with quickly and effectively.

Control of fraud and non-compliance is a critical part of the work of the Department. Safeguards are built into our processes to secure payment systems and detect and prevent wrongful claiming of benefits. Where non-compliance with our various schemes arises, the full powers at our disposal will be used to safeguard the integrity of the welfare system. This will ensure that the high standards which the Irish taxpayer and the Oireachtas demand and expect from us are maintained.

The Strategy comprises four pillars: “**Prevent**”, “**Deter**”, “**Detect**” and “**Account**”, which will be leveraged to ensure that suspected fraud and non-compliance in our welfare system is kept to a minimum during the lifetime of the Strategy. It reflects feedback received during the consultation process undertaken in 2018 (see *Appendix 1*) and builds upon the achievements of the previous Compliance and Anti-fraud Strategy 2014 – 2018 (see *Appendix 2*).

Overall, across the four pillars, 26 areas of control activity are outlined. Some of these activities are ongoing while others will have specific annual targets set which will have to be met each year over the lifetime of the Strategy.

Components of the 2019 - 2023 Strategy

Overall objective: to pay the right people, the right amount, through the right scheme/programme, at the right time

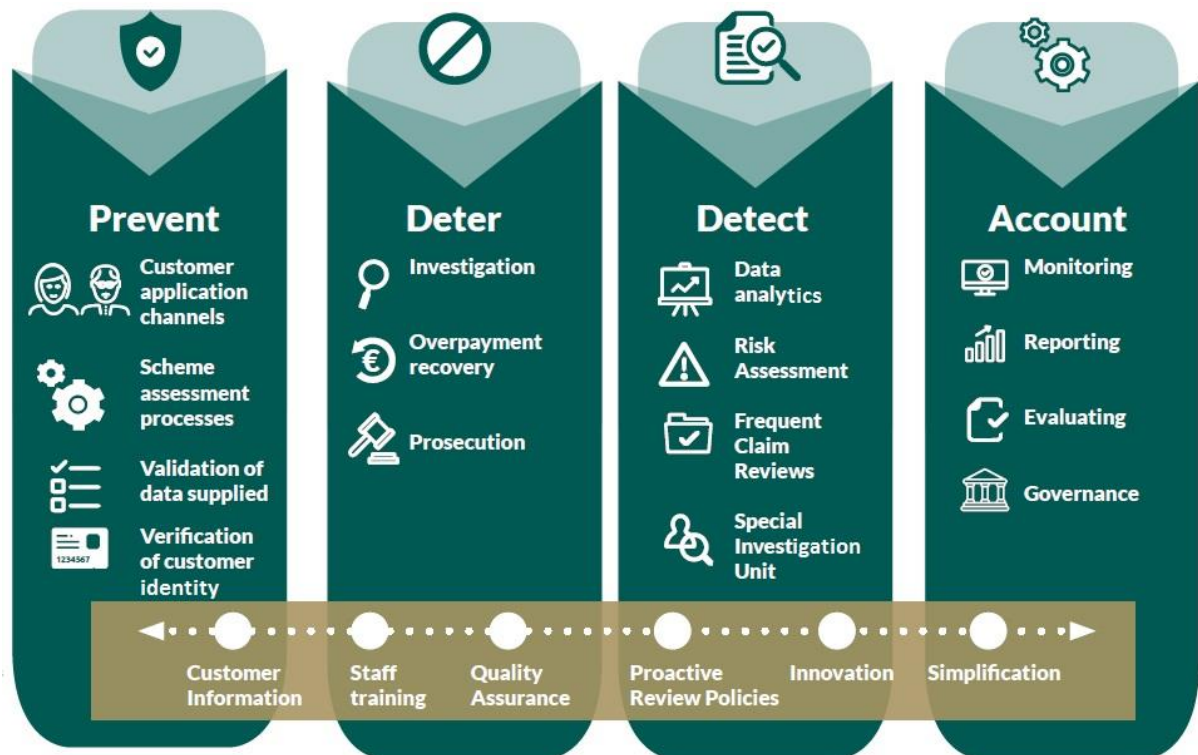


Figure 1: Components of the Strategy

The Strategy comprises four “pillars” as shown in Figure 1 above:

1. **Prevent:** We will prevent error or non-compliance entering the system in the first instance by having robust scheme application channels and clearly defined assessment processes in place;
2. **Deter:** We will discourage attempts to defraud the social welfare system by actively pursuing the recovery of overpayments and considering cases for prosecution where there has been deliberate fraud;
3. **Detect:** We will detect instances of fraud and error in the social welfare system as quickly as possible through various control measures and techniques; and
4. **Account:** We will ensure that control and anti-fraud measures are in place to protect monies entrusted by the taxpayer and authorised by the Oireachtas through appropriate governance procedures, oversight and monitoring. Outcomes will also be evaluated with a view to informing future policy and approach.

Pillar 1 – Prevent

Goal – to prevent fraud and error entering the social welfare system

The Department is committed to preventing situations arising where a person can gain access to a benefit by making a fraudulent claim for support. These claims can often be supported by false and/or misleading information or documentation.

Every effort is made to ensure that people who access our services and supports are the people who are entitled to receive them. Confirming and maintaining the correct identity of people who receive payments is fundamental to the integrity of the welfare system.

Our approach

To realise our objective of preventing fraud and non-compliance entering the system, we will:

- *Authenticate a person's identity through the SAFE registration process.* The SAFE process establishes and fully authenticates a person's identity and protects against identity fraud;
- *Verify and validate information provided by customers in support of an application for payment.* We require original documentation to be provided, cross-checking details supplied with information already held within the Department or with other public bodies, as allowed through data sharing agreements;
- *Provide clear and understandable information to help customers to minimise error.* We will do this through publicity campaigns, information leaflets, the Department's website and through the assistance provided by Department staff;
- *Minimise official error through on-going training, mentoring, IT enhancements etc.* This will reduce the scope for error, in addition to internal information briefings and awareness programmes;
- *Ensure that control is to the forefront when developing and enhancing systems.* In the development of customer-facing online services, critical attention must be paid to the Department's control policies to ensure that safeguards are built in to prevent fraud and non-compliance; and
- *Conduct a media campaign* aimed at increasing public awareness of customers' obligations to claim their correct entitlement and inform the Department of changes in their circumstances which can impact on their payments.

Pillar 2 – Deter

Goal – to discourage non-compliance with the social welfare system

The Department is committed to discouraging non-compliance with the social welfare system to the greatest extent possible. To this end, it actively pursues the recovery of overpayments where customers have been paid beyond what they are entitled to. It also institutes criminal prosecutions against persons who defraud the social welfare system and against employers who fail to carry out their statutory obligations under the Social Welfare Acts.

Our approach

In our actions to discourage non-compliance with the social welfare system, we will:

- *Ensure that claim investigations processes are robust and continue to act as a deterrent to fraudulent behaviour.* We must ensure that the visibility of our social welfare officers remains strong to the public, in particular, given the roll-out of the Department's digital strategy and online claiming by our customers in the coming years;
- *Ensure that a comprehensive programme of employer inspections and initiatives are in place.* This will help to address concerns around false self-employment and employer practices in relation to PRSI (see Appendix 3 for further details).
- *Ensure that debt assessment and recovery becomes an integral component of the work of scheme areas and of the decision-making process.* Intreo Centres and scheme areas must develop a proactive debt recovery function to ensure that we follow best practice in this regard;
- *Pursue overpayments and work to secure repayment of debts as quickly as possible.* We will use all of the various powers available to the Department to ensure repayment and, in particular, where there has been no meaningful engagement from our customers;
- *Consider cases for prosecution where there is deliberate fraud.* In general, prosecutions under Social Welfare legislation are taken summarily to the District Courts. Cases involving more serious fraud, identity fraud or multiple claiming are referred to the Gardaí for prosecution under criminal justice legislation and are taken on indictment to the Circuit Court where the penalties are more punitive; and
- *Keep our prosecutions policies under on-going review.* This will ensure that our policies remain fit for purpose and that fraud cases are dealt with in a fair and equitable manner.

Pillar 3 - Detect

Goal – to detect instances of suspected fraud and error as quickly as possible

The Department deploys a variety of mechanisms and techniques to detect instances of error or suspected fraud within the social welfare system with the aim of doing so as quickly as possible to prevent large overpayments developing. These mechanisms are kept under ongoing review to ensure they remain fit for purpose.

Our approach

To realise our objective of detecting suspected fraud and error, we will:

- *Review claims on an annual basis across all social welfare schemes and programmes to ensure continued eligibility of customers.* Claims will be reviewed using a risk-based approach, in addition to random sample checks and specialist investigations. Reviews looking at the medical conditionality underpinning certain schemes will also be undertaken (see Appendix 4 for 2019 targets);
- *Examine ways of expanding our data matching capabilities and explore new possible data matches to enhance our control activities,* consistent with data protection laws;
- *Undertake control surveys of various schemes.* Surveys allow the Department to identify the risks, and address any weaknesses, within schemes (see Appendix 5 for details of the Department's new continuous surveying approach);
- *Invest in further predictive modelling.* This will improve our capacity to detect more non-compliant cases, improve non-compliance processes and controls and identify trends that will help to develop more effective control policies;
- *Publicise the hotline and encourage members of the public to report cases of suspected fraud.* Reports of suspected fraud from members of the public are an important source of information in our efforts to deter and detect fraudulent activity;
- *Continue to target more serious fraud and non-compliance through the work of the Special Investigation Unit (SIU).* The Unit ensures that there is a national and strategic focus on high risk sectors and on social welfare schemes where fraud is most prevalent. Up to 20 members of the Garda Síochána have been seconded to the Unit since late 2014; and
- *Work collaboratively with other Departments and agencies and with cross-border and international organisations.* In particular, we will continue to work with Revenue, An Garda Síochána, the Criminal Assets Bureau and others in identifying and combatting fraud and non-compliance.

Pillar 4 - Account

Goal – to have appropriate governance & oversight arrangements in place

Control of fraud and non-compliance is a critical part of the work of the Department. We are committed to ensuring that there are appropriate and robust governance and oversight arrangements in place to protect public monies entrusted to it by the taxpayer and authorised by the Oireachtas.

Our approach

To ensure that there is appropriate governance, monitoring and oversight of control activities across the Department, we will:

- Provide *quarterly updates on control-related activities* to the Department's Management Board for consideration. These are important as a way of informing and shaping future policy decisions in relation to control activities;
- *Publish an Annual Target Statement.* This will set out targets across the different areas of control work for each year of the Strategy – *the 2019 Target Statement is at Appendix 4.*
- *Publish an Annual Report on control activities each year.* The annual report will outline progress in relation to the implementation of this Strategy. It will document the various control activities carried out by the Department during the previous year and give details of performance against targets;
- *Ensure that control-related work across the Department is overseen and monitored by the Control Programme Board.* The Board comprises senior managers from the major Department scheme areas, regional divisions and other control-related areas;
- *Support and assist the Office of the Comptroller & Auditor General in their work and report as required to committees of the Oireachtas;*
- *Support and assist our staff* to ensure that they follow the correct control processes and procedures and that they remain alert to new and emerging forms of fraud and non-compliance; and
- *Liaise and engage with other social welfare administrations* across the EU and internationally. This will help to inform our control policies and approaches and to ensure we can proactively respond to emerging and future threats in relation to fraud, error and non-compliance.

Implementation Plan

As outlined in the introduction, across the four pillars, there are 26 *areas of control activity* outlined. Some of these will be ongoing over the lifetime of the Strategy while others will have specific annual targets set which will have to be met each year over the lifetime of the Strategy. These targets will be published in the Annual Target Statement published each year.

Pillar	Activity	Measurement
PREVENT	1. Authenticate a person's identity	<i>Ongoing – through SAFE registration process/PSC</i>
	2. Verify information provided by customers	<i>Ongoing – through documentation provided/ cross-checking etc.</i>
	3. Provide clear information to help customers	<i>On-going – through publicity campaigns, info leaflets etc.</i>
	4. Minimise official error	<i>On-going – through training, mentoring, IT enhancements etc.</i>
	5. Control to be forefront in developing systems etc.	<i>On-going – through building in safeguards etc.</i>
	6. Conduct a media campaign to raise awareness of customers' obligations	<i>Target set – to be rolled out by Q1 2020</i>
DETER	7. Ensure investigation processes are robust and act as a deterrent	<i>On-going – through ensuring visibility of SWIs etc.</i>
	8. Comprehensive programme of employer inspections & initiatives	<i>On-going and targets set – see appendices 3 & 4</i>
	9. Debt assessment & recovery to be integral component of work of scheme areas & decision-making function	<i>On-going – through having proactive debt recovery function in scheme areas and Intreo Centres</i>
	10. Pursue overpayments & secure repayment of debts	<i>Annual target set – see appendix 4 for 2019 target</i>
	11. Consider cases for prosecution in deliberate fraud cases	<i>Annual target set – see appendix 4 for 2019 target</i>
	12. Keep prosecution policies under review	<i>On-going</i>

DETECT	13. Review claims across all scheme areas	<i>Annual targets set – see appendix 4 for 2019 target</i>
	14. Examine ways to expand data matching capabilities	<i>On-going – in accordance with data protection legislation</i>
	15. Undertake control surveys	<i>Annual targets set – see appendix 4 for 2019 target</i>
	16. Invest further in predictive analytics	<i>On-going – through continuing to improve our capacity to detect non-compliant cases</i>
	17. Publicise the hotline	<i>On-going – through encouraging the public to report suspected fraud</i>
	18. Continue to target serious fraud through the SIU	<i>Annual target set for reviews & savings – see appendix 4 for 2019 target</i>
	19. Work collaboratively with other bodies	<i>On-going – through ongoing collaboration and joint investigations</i>
ACCOUNT	20. Provide quarterly updates to DEASP Management Board	<i>Target set – quarterly update</i>
	21. Publish Annual Target Statement	<i>Target set – published annually</i>
	22. Publish Annual Control Report	<i>Target set – published annually</i>
	23. Control related work to be overseen by Control Programme Board	<i>On-going – meetings held 4-5 times annually</i>
	24. Support & assist the C & AG	<i>On-going – as and when required</i>
	25. Support & assist staff	<i>On-going – through ensuring that correct control processes and procedures</i>
	26. Liaise with s/w administrations in the EU and internationally	<i>On-going - to inform policies and approaches</i>

Appendix 1 - Consultation Process

As part of the preparatory work for this strategy, the Department embarked in 2018 on a three-pronged consultation process to gain insights and advice from other stakeholders. This consultation process involved:

- Other Government Departments;
- Stakeholders bodies (NGOs); and
- Internal Departmental staff members (with a particular focus on staff with key control responsibilities including Social Welfare Inspectors and Special Investigation Unit officers).

Along with feedback received during nationwide consultations with internal staff, submissions were received from:

- The Revenue Commissioners;
- The Department of Children and Youth Affairs;
- The Department of Justice and Equality;
- The Data Protection Commission;
- The European Anti-Poverty Network;
- The Irish Congress of Trade Unions;
- Irish Rural Link;
- The Irish National Organisation of the Unemployed; and
- The Office of the Ombudsman.

Appendix 2 - Outputs of Previous Strategy

Table 1: Outputs of the Department's Compliance and Anti-Fraud Strategy 2014 – 2018

Year	Control Savings	Control Reviews	Control Surveys	Over-payments Raised	Over-payments Recovered	Suspected Identity Fraud Cases	Cases for Prosecution	Reports from public Processed
2014	€505m	More than 1 million	2	€124m	€86m	29	316	21,088
2015	€464m	More than 1 million	2	€115m	€83m	55	353	15,721
2016	€506m	950,000	3	€110m	€82m	46	341	20,791
2017	€530m	750,000	2	€111m	€81m	26	301	21,292
2018	€556m	742,000	2	€108m	€81m	32	175	15,428

Overall, therefore, the key outputs of the 2014 to 2018 Strategy are:

- More than 4 million control reviews carried out;
- Over €2.5bn in control savings recorded;
- More than 94,000 reports from members of the public processed;
- Over €400m in overpayments recovered;
- Almost 190 suspected identity fraud cases detected; and
- Almost 1,500 cases referred for prosecution.

Appendix 3 – Employer Inspections

In recent years, there have been significant changes in working patterns and employment practices with modern forms of work often entailing remote and mobile working and involving less certainty around hours and standard working weeks and increased earning variability. An area of particular concern to the Department relates to false self-employment and employer practices in relation to PRSI.

The Department is committed to a range of initiatives to tackle false self-employment which is contributing to a drain on the Social Insurance Fund and the denial of employment rights to affected workers including:

- establishing *a new unit of Social Welfare Inspectors* (SWIs) which will be focused solely on false self-employment;
- *increasing the number of PRSI and employer inspections* carried out on an annual basis by SWIs;
- *rolling-out a training programme to enhance the knowledge and skills of SWIs* in undertaking and managing employer inspections;
- *Completing the interdepartmental review of the “Code of Practice* for determining Employment and Self-Employment Status of Individuals”;
- Placing the *revised Code of Practice on a statutory footing* by the end of 2019; and
- Considering *a range of other legislative measures* to protect workers.

Appendix 4 – Target Statement for 2019

Pillar	Activity	2019 Target
Prevent	Control Savings: (of which, achieved by the Special Investigations Unit):	€530m €75m
	SAFE Registrations:	Demand led
	Predictive Analytics Modelling:	Issue new cases for JA, OFP, DA and Farm Assist Develop new rules for Jobseekers Explore predictive modelling for other DEASP schemes
Detect	Control Reviews Undertaken:	757,000
	Control Surveys:	Publish SPNC report in Q1 2019 Publish BTWEA report in Q3 2019 Progress JA survey Agree programme of future reviews as part of new Strategy (2019 – 2023)
Deter	Overpayments recovered:	€95m
	Prosecutions:	500 cases considered for prosecution

Appendix 5 – Future Control Surveys

Under the Compliance and Anti-Fraud Strategy 2019 - 2023, the Department will move from standalone, point-in-time control surveys of larger schemes (such as Jobseekers Allowance, Disability Allowance (DA) and State Pension Contributory (SPC) and Non-Contributory (SPNC) schemes) to a form of continuous and rolling sampling, assessment and reporting.

The new process proposes on-going sampling of major schemes, in quarterly batches, and once it is fully up and running in 2020, it is envisaged that approximately 2,500 cases will be distributed annually, covering three of the bigger schemes mentioned above. In addition, a further 500/600 cases for other smaller schemes (such as One Parent Family Payment in 2019 and Jobseekers Benefit in 2020) will be reviewed annually on a non-rolling basis.

The operation and management of the new arrangements will be reviewed at the end of 2020. Under the new survey model, outputs of the Department's rolling Control Surveys will be reported in the annual Statistical Report prepared by the Department. A separate report(s), exclusively covering control surveys will be provided to the C&AG.

All surveys are reported using the Net Loss to Government (NLG) metric. This refers to the final incorrect benefit excluding recoveries rate established by the survey, minus the value of overpayments actually recovered.

Proposed schedule

The proposed schedules for 2019 and 2020 are shown in tables 1 and 2 below.

Table 1: 2019 Control Survey Schedule

Scheme	May	October	Report Published
JA	600		End 2019

Table 2: 2020 – 2023 Control Survey Schedule

Scheme	January	April	July	October	Report Published
JA	250	250	250	250	Q4
DA	150	150	150	150	Q4
SPC/SPNC*		500	250	250	Q4

**SPC and SPNC will be surveyed on a rolling basis every second year in the years 2020 – 2023, kicking off with SPC in 2020, followed by SPNC in 2021.*

Additionally, over the lifetime of the strategy, the Department will undertake surveys of One-Parent Family Payment (in 2019), Jobseeker's Benefit (in 2020), Child Benefit, Illness Benefit and Household Benefits on a non-rolling basis. Further details in this regard will be published in the Annual Target Statement.

