



6 April 2022

Tēnā koe

On 9 March 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *Please provide the dates on which the wage subsidy recovery and response panel has met and how many members were present at each meeting. How many cases were considered at each meeting and how many of each type of decision was made. (EG. Civil action)*

The Wage Subsidy was initiated quickly, based on a high trust model, in order to ensure employers could pay their employees without delay. Where the Wage Subsidy was fraudulently obtained and/or retained where it should not have been, there is a high expectation that the Ministry will respond to the loss of those public funds.

The Ministry's first avenue for recovery of wage subsidy funds from those who should not have received and/or retained them is to seek voluntary repayment. Where that is unsuccessful, the Ministry has a number of enforcement actions available to address situations where an applicant has been found to not be entitled to the Wage Subsidy payments received.

These options could include:

- taking civil proceedings against applicants in cases where they are not entitled to the wage subsidy and have not repaid it
- commencing bankruptcy proceedings in respect of individuals, or liquidation proceedings in respect of companies
- the restraint and forfeit of assets acquired or derived under the Criminal Proceeds (Recovery) Act 2009, or

- taking prosecution action against applicants where the evidential sufficiency and public interest tests for criminal prosecutions as set out in the Solicitor-General's Prosecution Guidelines have been met.

Decisions about prosecutions are made only after a thorough investigation process.

From our integrity programme, we have found that in the majority of cases employers did the right thing. In many cases where entitlements have been wrongly claimed, it is due to uncertainty about the eligibility criteria, rather than deliberate attempts at deception.

As of Friday 18 March, the Ministry has referred 1,218 cases for investigation of which 518 have been resolved and 700 are underway.

The COVID-19 Economic Supports Recovery and Response Panel (the Panel) was established on 22 February 2021 to approve prosecutions if it determines that the public interest and evidential sufficiency tests are satisfied (as required by the Solicitor-General's Prosecution Guidelines) and to make recommendations to the Solicitor-General (in accordance with Cabinet directions) on civil recovery, where appropriate, in relation to COVID-19 economic supports, including the Wage Subsidy administered by the Ministry.

As per the Terms of Reference governing the Panel, a quorum is required in order for the Panel to conduct business. The requirement for a quorum will be met if five members attend, including a Panel Chair, two representatives from Client Service Integrity and/or Integrity & Debt, and a representative from Legal Services.

Please see enclosed **Table One** which outlines the number of panel members present (including the Chair), the number of wage subsidy cases considered, and the number of Civil and Prosecution decisions made from 22 February 2021 to 22 March 2022.

Table One: The number of panel members present (including the Chair), the number of wage subsidy cases considered, and the number of Civil and Prosecution decisions made from 22 February 2021 to 22 March 2022.

Date of Panel	Number of Panel members present (including Chair)	Number of cases considered	Civil recovery decisions made	Prosecution decisions made
22-Feb-21	10	4	3	0
22-Mar-21	11	1	0	0
12-Apr-21	7	1	1	0
3-May-21	8	1	1	0
5-Jul-21	9	1	1	0
28-Jun-21	10	1	0	0
26-Jul-21	8	3	1	2
29-Nov-21	10	1	1	0
20-Dec-21	10	1	1	0
25-Jan-22	9	1	0	1
3-Feb-22	10	1	0	1
9-Feb-22	8	1	0	2
24-Feb-22	7	1	0	1
16-Mar-22	9	2	1	1
22-Mar-22	8	1	0	1

Notes for Table One:

- The number of Panel members present does not include staff who attend to support Panel administration.
- Where a decision has not been made by the Panel at the time of the meeting, a case may be referred for further investigations and later return to the Panel for a final decision.
- In one case, two decisions to prosecute were made (applying the Public Interest test as per the Solicitor General Prosecution Guidelines) as the case involved two individuals.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter and any attached documents available to the wider public. The Ministry will do this by

publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted, and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with this response in relation to dates on which the wage subsidy recovery and response panel has met and how many members were present at each meeting, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

A handwritten signature in black ink, consisting of several loops and a long horizontal tail.

George Van Ooyen
Group General Manager
Client Service Support