



12 MAY 2020



Dear 

On 10 March 2020, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

1. *How many people the Ministry of Social Development employs to investigate benefit fraud.*
2. *The latest yearly estimate figure of benefit fraud.*

On 24 March 2020, the Ministry informed you that it required more time to respond to your request and that a response would be sent to you on or before 24 June 2020.

It is vital that the public has trust and confidence in the Ministry to ensure people receive their correct entitlement and do not take advantage of the welfare system. The Ministry actively looks to prevent, detect and reduce incidences of benefit fraud.

The Ministry works hard to protect the integrity of the welfare system to ensure it remains fair for all New Zealanders, which can include prosecution where clear evidence of fraud exists. Where appropriate, the Ministry works with other government agencies to identify and reduce incidents of fraud and investigate cases which arise through allegations from members of the public.

Potential fraud may be identified from public allegations, information sharing with other agencies, staff referrals or from our Intelligence Unit. When a case is received, the information is assessed based on the level of evidence available to substantiate the level of fraud and risk posed. Based on this assessment some cases will not be followed up, for example, because there is insufficient information to warrant further action.

The Ministry has increased its focus on fraud prevention and early intervention activities. For example, fraud investigators are working more closely with front line staff to assist them to have good conversations with clients. This ensures the client understands their obligations to tell Work and Income early about any changing circumstances as this could affect their benefit entitlement. We want to make it easier for clients to tell us about changes and also harder for clients to get it wrong and maybe end up in debt to us.

This increased focus on fraud prevention is illustrated by the introduction of a new three-tier approach implemented across our fraud teams.

The three-tier approach was implemented between November 2018 and February 2019 to help the Ministry better manage fraud activity. All allegations of potential fraud or abuse of benefit payments are responded to in a manner proportionate to the nature of the information received and the potential seriousness of offending.

*Tier One - Early Intervention – Making it easier for clients to do the right thing*

Tier One is about ensuring clients know of the information the Ministry has received about them and about their entitlements and obligations and letting them make a decision about their entitlement to a benefit payment. This involves a letter and/or phone conversation with the client. The Ministry's aim is to identify the correct entitlement going forward, rather than establishing an overpayment.

*Tier Two - Facilitation – Providing clients with an opportunity to do the right thing*

Tier Two is about working with the client to help them do the right thing. It's about having a more in-depth, face-to-face conversation with a client about their situation, entitlements and obligations so the client can self-assess whether they are receiving their correct entitlements. Again, the Ministry's aim is to identify the correct entitlement going forward, rather than establishing an overpayment.

*Tier Three - Investigation – Protecting the integrity of the benefit system*

Tier Three is about undertaking an investigation into a client's entitlement where the Ministry believes they may be committing fraud. The outcome in these cases could be an overpayment, the imposition of a penalty, or in the most severe cases, prosecution.

For the sake of clarity, your questions are addressed in turn:

1. *How many people the Ministry of Social Development employs to investigate benefit fraud.*

As at 29 February 2020, there were 100 staff in the Investigator Fraud Intervention Services position, (99.6137 Full Time Equivalent). There are other positions within Fraud Intervention Services, including the Area Manager and Technical Officer positions, however, the Investigator Fraud Intervention Services is responsible for the investigation of fraud, including benefit fraud.

2. *The latest yearly estimate figure of benefit fraud.*

The Ministry does not have a yearly estimate of benefit fraud. As such, your request for this information is refused under section 18(e) of the Official Information Act as this information does not exist or, despite reasonable efforts to locate it, cannot be found.

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 available to the wider

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This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter 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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with this response regarding the number of people employed to investigate benefit fraud, 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](http://www.ombudsman.parliament.nz) or 0800 802 602.

Yours sincerely

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

George Van Ooyen  
**Group General Manager, Client Service Delivery**