



21 December 2022

Tēnā koe

On 23 November 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

*Under the OIA could I please receive the following data from January 2000 to the latest available:*

- *the number of suspected cases of benefit fraud*
- *the number of reported cases of benefit fraud*
- *the number of benefit fraud investigations initiated*
- *the number of prosecutions for benefit fraud taken*
- *the number of successful prosecutions for benefit fraud*
- *the total dollar value of all confirmed cases of benefit fraud (i.e. the amount obtained fraudulently).*
- *any estimates of the true rate of benefit fraud*
- *any estimates of the true value (in dollar terms) of benefit fraud*

*For each of the above, could you please provide the data by month if available, or if not, by whatever the smallest time period is.*

The Ministry works hard to protect the integrity of the welfare system to ensure it remains fair for all New Zealanders. 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 support that is available.

Since 2015, the Ministry has been strengthening its fraud prevention focus. This saw the introduction of new non-investigative approaches to responding to lower risk allegations of fraud from 2018, and the establishment of a prosecution panel to support decision making in serious fraud cases where prosecution is recommended.

The Ministry's overall approach is to intervene early when concerns are raised, to make it easy for clients to do the right thing and avoid unnecessary overpayments and debt while still responding appropriately to serious fraud.

The Ministry has a three-tier graduated model to respond to allegations of benefit fraud:

- early intervention – engaging with clients early to discuss any integrity issues raised, confirm obligations, and adjust entitlements where appropriate.
- facilitation – working more intensively with a client to assess their situation against their entitlements and adjust these entitlements where necessary. This could mean an overpayment for a client in some situations.
- investigation – gathering information and acting on serious client integrity issues, which could result in an overpayment and in the most serious cases prosecution. Prosecutions are considered in line with the Solicitor General’s guidelines, taking into account the full circumstances of each individual case.

The three-tier approach helps 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 the offending.

On 29 November 2022, you were advised that changes in the Ministry’s data recording and reporting systems – and operational changes related to the introduction of the three-tier model – mean we cannot easily compare data recorded before and after the 2017 financial year. However, you indicated that, despite these limitations, you would still like to be provided with the pre-2017 data, if possible.

The Ministry has provided you with the following tables in Appendix 1:

- **Table 1:** Number of benefit fraud cases created between 1 July 2009 and 30 June 2022, by financial year
- **Table 2:** Number of benefit fraud cases completed, and overpayment amount, between 1 July 2009 and 30 June 2022, by financial year and fraud activity
- **Table 3:** Overpayment amount associated with benefit fraud cases completed between 1 July 2009 and 30 June 2022, by financial year and fraud activity
- **Table 4:** Number of benefit fraud prosecution cases completed, and associated overpayment amount, between 1 July 2009 to 30 June 2022, by financial year

You have asked for data related to benefit fraud, broken down by the smallest time-period available. The Ministry’s standard reporting is typically aligned to quarterly periods and financial years (i.e., from 1 July to 30 June). However, due to the systems changes mentioned above, we are not able to provide reliable quarterly data for any period prior to the 2017 financial year.

Therefore, for the sake of consistency, all the figures we have provided you with are broken down by financial year.

You will also note that the number of benefit fraud cases created (i.e., Table 1) excludes cases predating the 2011/12 financial year. This is because, prior to FY2012, benefit cases were recorded in a different reporting system, one which does not currently allow for the accurate reporting of those figures.

In addition, data relating to the number of benefit fraud cases completed and the associated overpayment amount (i.e., Tables 2 and 3, respectively) and prosecutions (i.e., Table 4) prior to the 2009/10 financial year have also been withheld. Due to systems changes at that time, accurate figures relating to those cases are also not currently available.

Please also note that in the 2019/20, 2020/21, and 2021/22 financial years, investigation and prosecution numbers were impacted by the need to support the COVID-19 response, which included Wage Subsidy integrity checks and investigations.

To protect confidentiality the Ministry uses processes to make it difficult to identify an individual person or entity from published data. These data tables have had random rounding to base three applied to all cell counts in the table. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts.

Your request for *'any estimates of the true rate of benefit fraud and any estimates of the true value (in dollar terms) of benefit fraud'* has been refused under section 18(e) of the Act, on the grounds that the requested information does not exist. You were advised of this on 29 November 2022.

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'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 about the number of benefit fraud cases since the year 2000, 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.

Ngā mihi nui

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

George Van Ooyen  
**Group General Manager**  
**Client Service Support**

## Appendix 1

**Table 1:** Number of benefit fraud cases created between 1 July 2009 and 30 June 2022, by financial year

<b>Financial year</b>	<b>Number of cases created</b>
2009/2010	N/A
2010/2011	N/A
2011/2012	8,829
2012/2013	8,829
2013/2014	9,078
2014/2015	7,977
2015/2016	8,427
2016/2017	5,811
2017/2018	4,773
2018/2019	5,967
2019/2020	7,224
2020/2021	6,057
2021/2022	5,568

**Notes for Table 1:**

- A benefit fraud case may involve more than one person.
- Number of cases created were not available for financial year 2009/2010 and 2010/2011.
- From 2018/19 cases included a mixture of early intervention, facilitation, and investigation responses.
- In the 2019/20, 2020/21, and 2021/22 financial years, investigation and prosecution numbers were impacted by the need to support the COVID-19 response, which included Wage Subsidy integrity checks and investigations.
- Data from Financial year 2009/2010 to 2014/2015 includes internal fraud cases.

**Table 2:** Number of benefit fraud cases completed, between 1 July 2009 and 30 June 2022, by financial year and fraud activity

Financial year	Number of cases completed				Total cases completed
	Early Intervention	Facilitation/ Intervention	Investigation	No Fraud Activity	
2009/2010	N/A	N/A	12,423	N/A	12,423
2010/2011	N/A	N/A	5,787	N/A	5,787
2011/2012	N/A	N/A	3,282	N/A	3,282
2012/2013	N/A	N/A	3,618	N/A	3,618
2013/2014	N/A	N/A	4,614	N/A	4,614
2014/2015	N/A	N/A	5,340	N/A	5,343
2015/2016	N/A	N/A	5,325	N/A	5,325
2016/2017	N/A	N/A	4,854	N/A	4,854
2017/2018	N/A	N/A	4,755	N/A	4,755
2018/2019	1,827	1,332	1,761	465	5,385
2019/2020	2,370	1,254	1,089	522	5,235
2020/2021	2,454	1,227	654	564	4,899
2021/2022	2,088	2,091	459	60	4,698

**Table 3:** Overpayment amount associated with benefit fraud cases completed between 1 July 2009 and 30 June 2022, by financial year and fraud activity

Financial year	Overpayment amount				Total overpayment amount
	Early Intervention	Facilitation/ Intervention	Investigation	No Fraud Activity	
2009/2010	N/A	N/A	\$37,032,309	N/A	\$37,032,309
2010/2011	N/A	N/A	\$37,437,279	N/A	\$37,437,279
2011/2012	N/A	N/A	\$36,159,690	N/A	\$36,159,690
2012/2013	N/A	N/A	\$44,514,533	N/A	\$44,514,533
2013/2014	N/A	N/A	\$59,255,970	N/A	\$59,255,970
2014/2015	N/A	N/A	\$51,736,219	N/A	\$51,736,219
2015/2016	N/A	N/A	\$48,523,101	N/A	\$48,523,101
2016/2017	N/A	N/A	\$43,978,896	N/A	\$43,978,896
2017/2018	N/A	N/A	\$35,723,471	N/A	\$35,723,471
2018/2019	\$0	\$417,006	\$25,415,083	\$0	\$25,832,089
2019/2020	\$0	\$52,061	\$12,243,129	\$0	\$12,295,190
2020/2021	\$0	\$116,934	\$3,390,361	\$0	\$3,507,295
2021/2022	\$0	\$9,439	\$2,450,761	\$0	\$2,460,200

**Notes for Tables 2 and 3:**

- A benefit fraud case may involve more than one person.

- Data from Financial year 2009/2010 to 2014/2015 includes internal fraud cases.
- In the 2019/20, 2020/21, and 2021/22 financial years, investigation and prosecution numbers were impacted by the need to support the COVID-19 response, which included Wage Subsidy integrity checks and investigations.

**Table 4:** Number of Benefit Fraud prosecution cases completed, and associated overpayment amount, between 01 July 2009 and 30 June 2022, by financial year

<b>Financial year</b>	<b>Number of prosecutions completed</b>	<b>Number of successful prosecutions</b>	<b>Overpayment amount for completed prosecutions</b>
2009/2010	789	714	\$15.0m
2010/2011	690	657	\$17.2m
2011/2012	879	840	\$22.5m
2012/2013	957	906	\$32.6m
2013/2014	894	867	\$31.1m
2014/2015	957	927	\$31.3m
2015/2016	615	597	\$24.8m
2016/2017	450	432	\$19.5m
2017/2018	291	276	\$14.9m
2018/2019	126	123	\$8.6m
2019/2020	63	63	\$3.7m
2020/2021	60	54	\$3.9m
2021/2022	36	33	\$2.3m

**Notes for Table 4:**

- A prosecution concerns only one person. But the same person can be prosecuted multiple times in a year.
- Successful prosecution refers to people who have been convicted of offences.
- Overpayment amount for completed prosecutions is a subset of the total overpayment amount created from completed benefit fraud cases.
- Data from Financial year 2015/2016 onwards excludes Internal Fraud cases.
- In the 2019/20, 2020/21, and 2021/22 financial years, investigation and prosecution numbers were impacted by the need to support the COVID-19 response, which included Wage Subsidy integrity checks and investigations.