



3 February 2023

Tēnā koe

On 5 December 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *The number of investigations MSD has done on Benefit Fraud in the past 3 years.*
- *If you could please include what triggered the investigations and their outcomes that would be awesome.*
- *We would like to also have access to any reports MSD has on the investigations if possible.*

On 13 December 2022, the Ministry emailed you to clarify the third section of your request to confirm whether you mean reports generally on benefit fraud or if you mean individual reports on specific benefit fraud investigations. On the same day you clarified this section of your request to:

- *Reports we are looking for is those specific into cases proven to be fraud incidents - if any.*
- *If, by any chance, no report on specific cases were filed, then we would like to have access to any reports related to benefit fraud.*

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 welfare system.

Benefit recipients are obliged to advise the Ministry of any change in circumstances that might affect their entitlement to a benefit. Allegations of benefit fraud can be made by members of the public, or by Ministry staff undertaking reviews of a client's benefit entitlement, and these are assessed for the appropriate level of response.

The Ministry's overall approach to managing allegations of benefit fraud 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's Client Service Integrity group 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 offending.

There will always be cases of serious fraud which will be fully investigated and prosecuted where it is appropriate to do so.

This approach has been endorsed by the Welfare Expert Advisory Group report.

Overall, the number of cases responded to across the Ministry's three-tier model has remained stable over the last five years. However, a greater proportion are now responded to with early intervention and facilitation, without the need to proceed to investigation or prosecution.

For clarity, I will address each section of your request in turn.

- *The number of investigations MSD has done on Benefit Fraud in the past 3 years.*
- *If you could please include what triggered the investigations and their outcomes that would be awesome.*

Please find attached **Appendix One** containing the following tables:

- **Table One:** The number of completed benefit fraud investigations from 1 July 2019 to 30 June 2022, broken down by financial year, origin of investigation and outcome (with overpayment or without overpayment).
- **Table Two:** The number of successful benefit fraud prosecutions from 1 July 2019 to 30 June 2022, broken down by financial year

Please note, for **Table Two**, a 'successful' prosecution refers to people who have been convicted of offences with a prosecution case status of 'Completed' in the reporting period. These cases may not relate to the investigations reported in **Table One**.

There was a significant decrease in prosecutions in the 2019/20 and 2020/21 years. This should not be attributed solely to the introduction of the three-tier model. Over the 2019/20 and 2020/21 financial years, investigation and prosecution numbers have also been impacted by the need to support the COVID-19 response, which includes Wage Subsidy investigations.

- *We would like to also have access to any reports MSD has on the investigations if possible.*
- *Reports we are looking for is those specific into cases proven to be fraud incidents - if any.*
- *If, by any chance, no report on specific cases were filed, then we would like to have access to any reports related to benefit fraud.*

The Ministry will prepare reports for investigations where prosecution has been recommended. Additionally, the Ministry may hold some further reports on individual or related cases that were not recommended for prosecution, however I am unable to provide you with this information as they would be held in notes on individual case files.

As such, in order to provide you with this information, Ministry staff would have to manually review a substantial number of files and divert personnel to complete this task, therefore I refuse this section of your request under section 18(f) of the Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

As you have requested general reports only in the absence of reports on specific cases, the Ministry has not provided any general reports with this response. If this was not the intent of your request, please contact the Ministry to discuss this.

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 and attachments 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.

If you are not satisfied with this response, 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



George van Ooyen
Group General Manager
Client Service Support



Appendix One

Table One: The number of completed benefit fraud investigations from 1 July 2019 to 30 June 2022, broken down by financial year, origin of investigation and outcome (with overpayment or without overpayment).

Financial year	Origin	With overpayment	Without overpayment	Completed investigations
2019/2020	Data Matching	18	3	21
	Intelligence Unit Referral	12	18	30
	Other Agency Referral	6	18	27
	Public Allegation	225	309	534
	Staff Referral	153	327	477
	Total		414	675
2020/2021	Data Matching	3	6	6
	Intelligence Unit Referral	3	24	27
	Other Agency Referral	3	3	3
	Public Allegation	48	429	474
	Staff Referral	45	93	138
	Total		102	552
2021/2022	Data Matching	3	0	3
	Intelligence Unit Referral	3	0	3
	Other Agency Referral	3	3	6
	Public Allegation	117	249	369
	Staff Referral	33	48	81
	Total		153	303

Notes:

- The Ministry of Social Development's financial year commences on the 1st of July and ends at the 30th of June.
- This data excludes Internal Fraud.
- This includes 'Investigation' fraud activity cases only.
- Fraud activity category is used to manage fraud cases. It's aimed to assist clients to get their entitlement correct going forward before launching a full investigation.
- To protect confidentiality the Ministry of Social Development 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.
- Random rounding does not round down to zero, a value of one or two will be rounded to three.
- 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.

Table Two: The number of successful benefit fraud prosecutions from 1 July 2019 to 30 June 2022, broken down by financial year.

Financial year	Successful prosecutions	Completed prosecutions
2019/2020	63	66
2020/2021	54	60
2021/2022	33	36

Notes:

- 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, with a prosecution case status of 'Completed' in reporting period.
- These successful prosecution cases do not be related directly to the completed investigation cases in Table One as prosecutions may not be completed in the same year that the investigation completed.
- Successful prosecution can't be broken down by origin.
- To protect confidentiality the Ministry of Social Development 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.
- Random rounding does not round down to zero, a value of one or two will be rounded to three.
- 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.