



16 February 2024

Tēnā koe

Official Information Act request

Thank you for your email of 18 January 2024, requesting information about the Ministry's investigation and enforcement processes regarding alleged abuse of COVID-19 Wage Subsidies.

I have considered your request under the Official Information Act 1982 (the Act). Please find my response to each part of your request set out below.

- *Can MSD please provide an update of these figures [investigation]?*

As of 31 December 2023, the Ministry has referred 1,633 cases for investigation, 720 of which had been resolved and 913 were underway.

- *plus further detail about what "resolved" means?*

A 'resolved' investigation is one that has been marked as completed in the Ministry's Investigation Management System, a case management tool that the Ministry's integrity staff use to document the process of their work. It means the investigation has been finalised but that there could still be some kind of enforcement activity to follow, such as the issuing of a repayment request, civil recovery, or a prosecution.

Please note, resolved cases may be reopened when new information is received as part of the quality assurance processes, or where the recipient has not engaged on their wage subsidy debt and further action is being considered.

- *Also, for those cases that haven't been resolved how many people are working on these, and what is the plan to close them?*

The Ministry continues to transition integrity staff back to benefit integrity work as wage subsidy investigations are completed. However, we expect that a small number will be required to remain in wage subsidy work until the outstanding cases have been resolved.

We are unable to say how long this will take. It will depend on the nature and complexity of the individual cases.

As of 2 February, the Ministry had 23 FTE dedicated to WSS investigations and 14 FTE working across both benefit and WSS investigations, out of a total of 108 FTE investigators.

A further 13 non-investigative staff were assigned to both wage subsidy and benefit integrity work.

Is there a statute of limitations looming for any potential enforcement?

The standard civil limitation period for filing a claim is six years after the date of the act or omission on which the claim is based, although limitation periods vary depending on the particular circumstances of the case. You can read the Limitation Act 2010 on the Ministry of Justice website, here: <https://www.legislation.govt.nz/act/public/2010/0110/latest/DLM2033120.html>.

For some offences there will be no limitation on when the charging document can be filed, such as a Category 3 offence: section 25(2)(b) of the Criminal Procedure Act 2011. You can read the legislation on the Ministry of Justice website, here: <https://legislation.govt.nz/act/public/2011/0081/latest/DLM3360067.html>.

Why are these cases taking so long to resolve?

The information we hold for wage subsidy applications compared to the information we hold for benefit recipients is different and can add complexity to fraud investigations.

Many wage subsidy applicants were engaging with MSD for the first time and the information we collected at the time of application was limited.

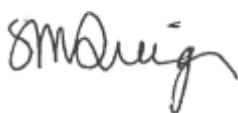
Furthermore, as the wage subsidy schemes sit outside the Social Security Act 2018, the Ministry cannot use its normal information gathering powers. New processes had to be developed and implemented for wage subsidy investigations.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

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 my decision on your request regarding investigations into WSS misuse, 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

pp. 

Magnus O'Neill
General Manager
Ministerial and Executive Services