



14 March 2024

Tēnā koe

**Official Information Act request**

Thank you for your email of 30 January 2024, requesting information about Student Allowance fraud discovered between January 2014 - January 2024.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision set out below along with some general information about the Ministry's three tier approach to fraud prevention at the end of this letter.

***The amount of Student Allowance fraud discovered between January 2014 - January 2024, including the total amount defrauded and the number of cases.***

Please note that the Ministry is unable to provide data for the 2014 and 2015 financial years because the fraud datamart, which allows the Ministry to report fraud information consistently and to the level of detail that you have requested, was properly established in 2016. As such your request for data for the 2014 and 2015 financial years is refused under section 18(g) of the Act as the information you requested is not held by the Ministry. I have no grounds to believe that the information is either held by or closely connected to the functions of another department, Minister of the Crown, or organisation.

**Table one:** Number of cases investigated that identified student overpayment and the total overpaid for the period 1 July 2015 to 31 December 2023, by financial year.

<b>Financial year</b>	<b>Investigations that identified Student overpayment</b>	<b>Sum of student overpayment</b>
2015/2016	6	\$69,335.55
2016/2017	6	\$88,136.44
2017/2018	6	\$25,863.07
2018/2019	2	\$12,208.26
2019/2020	3	\$10,218.44
2020/2021	-	-
2021/2022	-	-
2022/2023	-	-
1 Jul – 31 Dec 2023	1	\$14,023.84
<b>Total</b>		<b>\$219,785.60</b>

***For each calendar year please list the top three amounts defrauded.***

**Table two:** The three largest student overpayments for the period 1 July 2015 to 31 December 2023, by financial year.

<b>Financial year</b>	<b>Largest overpayment</b>	<b>Second largest overpayment</b>	<b>Third largest overpayment</b>
2015 – 2016	\$26,034.57	\$22,963.08	\$8,744.64
2016 – 2017	\$28,194.92	\$23,598.62	\$19,114.59
2017 – 2018	\$12,587.14	\$5,098.84	\$3,979.13
2018 – 2019	\$11,403.10	\$805.16	-
2019 – 2020	\$4,021.45	\$3,617.00	\$2,579.99
2020 –2021	-	-	-
2021 – 2022	-	-	-
2022 – 2023	-	-	-
1 Jul – 31 Dec 2023	\$14,023.84	-	-

**Notes for table one and two:**

- The Ministry’s financial year runs from 1 July to 30 June
- Internal Fraud cases and COVID related cases have been excluded
- A benefit fraud case may involve more than one person
- There was a significant decrease in investigations in the 2019/20 and 2020/21 years. This should not be attributed solely to the introduction of the three-tier model (see [general information](#)). Over the 2019/20 to 2021/22 financial years, investigation and prosecution numbers have also been impacted by the need to support the COVID-19 response, which includes Wage Subsidy investigations.
- Fraud activity category was first introduced in financial year 2019. From financial year 2019, only ‘Investigation’ fraud activity cases have been included.
- Fraud activity category is used to manage fraud cases. It’s aimed to assist clients to get their entitlement correct going forward before launch a full investigation.
- This data includes Student – Income, Student – Parent Income, and Student – Withdrawn or not attending line of inquiry.
- A case may have multiple line of inquiries, however the amount of overpayment established may not be resulted from all of the line of inquiries.
- Student Overpayment – Includes Student Allowance and JS-Student Hardship. Supplementary assistance overpayments have been excluded as these may not be related to Student payment.

***For the years 2014 -2024 please identify how many cases were due to lying about parental income.***

Your request for how many cases were due to lying about parental income is refused under section 18(g) of the Act as this information is not held by the Ministry and I have no grounds to believe that the information is either held by or closely connected to the functions of another department, Minister of the Crown or organisation.’ The Ministry does not identify ‘lying’ in student allowance fraud investigations. The parental income line of inquiry identifies cases where incorrect information was provided or there was a failure to provide information.

As such I can advise that in the period 2014 – 2024 five investigations involved a parental income line of inquiry.

***For 2023 and 2024, please list each case that was discovered, as well as each of the amounts defrauded.***

***For the ten worst cases in 2023, please provide a brief summary of each case, e.g. lying about parental income.***

I refer you to table two which provides the only overpayment for the 2023 and 2024 financial years. This involved a 'student withdrawn – not attending' line of enquiry.

### **General information on the Ministry's 3 tier approach to fraud prevention**

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.

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 and social housing fraud:

1. Early intervention – engaging with clients early to discuss any integrity issues raised, confirm obligations, and adjust entitlements where appropriate.
2. 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.
3. 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.

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](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with my decision on your request, 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

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