

Pre-paid Cards 4 years On Fraud case

Sandra Lillford

Manager – Financial Services

Adult Social Care



Background

- Young mother with disabilities
- Received Direct Payments for 4 years – 3 years into own bank account and 1 year into pre-paid current account for Care Services provided by PA's
- No indication of untoward activity in this account
- Husband acted as nominee and dealt with all finances – Mrs had no financial dealings with account
- Mr was always present when discussions took place
- Couple split with Mrs moving out of the property and was supported by family – Council not advised at the time



Background

- Review of care needs with Social Worker
- Review revealed Mrs had a reduction in care needs since she had moved out of the family home
- Payments had continued to Direct Payments account – Council not notified of changes
- Identified by Review Officer that services had not been provided for some months yet payments had been made to PA's via DP



Background

- 2 days following Review, Mr contacted Direct Payments to advise of end of PA support
- Anxious about the next steps that the Council would take and keen to “wrap things up” as soon as possible
- Paid back overpaid PA money and apologised saying he had forgotten to stop the payments
- £6k in account so no trigger at this point



Background

- Direct Payments Team advised Mr about process for repayment
- Mr was eager that the PA's were not to be contacted about the overpayment
- Settled payment immediately
- No further contact from Mr



Background

- Whilst Mr on holiday, Mrs accesses family home with Police knowledge
- Removed Direct Payment file, including employment contracts, agreements and bank statements of joint accounts
- Information provided to the Council
- Mrs identified that payments had been made to persons who had not been providing a service – a friend and a niece of Mr



Investigation

- Account transactions from DP account and personal bank accounts analysed
- Confirmed payments had been made to 2 x people who were not providing care. These payments totalled £29.5k over a 4 year period
- payments made to one person from DP account to a personal friend then coming back into a personal account (administered by Mr) net of £80 per week for almost 2 years



Investigation

- When friend's payments ended payments were set up to Mr's niece
- The friend had a contract of employment signed by Mr and himself, but the niece's contract was unsigned by either party
- Fraud investigation opened and currently ongoing with Police involvement



Fraud Officer's comments

- Whilst accounts set up on payments and transfer section validate the Sort Code and/or account number, there is no match validation of the account holder name
- Same surname PA's/family members/friends should be further investigated for confirmation of actual work at the onset of the Direct Payment
- In this case one of the PA's was a relative who did not sign a contract which may indicate the nominee had paid the money to another party/himself and she may be unaware that she is implicated



Fraud Officer's comments

- Would have been difficult to make a case without the other bank account information as an audit trail, due to inability to access personal accounts
- Transactional information too precise – i.e. no variation in hours provided, no holidays
- Evidence suggests this was pre-meditated from the outset
- More frequent audits and reviews required



Changes introduced

- Previously did separate Audit of Direct Payment and Review of services
- Now –
- download text file from APS account
- add category and sub-category fields
- create pivot table
- create audit sheet



Text file downloaded from APS

0859908	1179115340	2015-10-21	2015-10-21	Adjust	BANK NTC BACS	AP1130562
0859909	1179115470	2015-10-21	2015-10-21	Adjust	BANK NTC BACS	AP1130699
0859910	1179097455	2015-10-21	2015-10-21	Adjust	BANK NTC BACS	AP1130637
0859911	1179097375	2015-10-21	2015-10-21	Adjust	BANK NTC BACS	AP1130753
0859912	1177433570	2015-10-19	2015-10-19	Adjust	FSO FSO CARE	
0859912	1177433575	2015-10-19	2015-10-19	Adjust	Fso fso care	
0859912	1177433585	2015-10-19	2015-10-19	Adjust	FSO FSO/CARE	
0859912	1179101995	2015-10-21	2015-10-21	Adjust	BANK NTC BACS	AP1130785
0859913	1177447090	2015-10-19	2015-10-19	Adjust		
0859913	1179101930	2015-10-21	2015-10-21	Adjust	BANK NTC BACS	AP1130653
0859915	1179106635	2015-10-21	2015-10-21	Adjust	BANK NTC BACS	AP1130516
0859915	1180763600	2015-10-23	2015-10-23	Adjust	Interactive development support	
0859915	1180763630	2015-10-23	2015-10-23	Adjust	Interactive development support	
0859915	1180763645	2015-10-23	2015-10-23	Adjust	Interactive development support	
0859916	1177438155	2015-10-19	2015-10-19	Adjust	Lenore outreach Lenore support	



Conversion into spreadsheet

FILEDATE	FIRST NAME	TERMLOCATION	CATEGORY	SUB CATEGORY	AMTTXN	TRANS TYPE	BILLAMT	BALANCE
03/02/2014	Mrs C	Direct Bank Transfer File	ACCOUNT BALANCE TRANSFER		5132.64	CREDIT	5132.64	5132.64
10/02/2014	Mrs C	LB Care	PA SELF EMPLOYED		-168	DEBIT	-168	4171.92
10/02/2014	Mrs C	RM Care	PA SELF EMPLOYED		-792.72	DEBIT	-792.72	4171.92
17/02/2014	Mrs C	BANK NORTH TYNESIDE COUAP803712	NTC DIRECT PAYMENT		363.63	CREDIT	363.63	4535.55
17/02/2014	Mrs C	LB Care	PA SELF EMPLOYED		-168	DEBIT	-168	4367.55
24/02/2014	Mrs C	BANK NORTH TYNESIDE COUAP810051	NTC DIRECT PAYMENT		363.63	CREDIT	363.63	4731.18
03/03/2014	Mrs C	HM REVENUE & CUSTOMS P	HMRC		-153.03	DEBIT	-153.03	4578.15
03/03/2014	Mrs C	BANK NORTH TYNESIDE COUAP816070	NTC DIRECT PAYMENT		363.63	CREDIT	363.63	4941.78
03/03/2014	Mrs C	LB Care	PA SELF EMPLOYED		-168	DEBIT	-168	4773.78
10/03/2014	Mrs C	BANK NORTH TYNESIDE COUAP822933	NTC DIRECT PAYMENT		363.63	CREDIT	363.63	4344.69



Pivot Table

3	Sum of AMTTXN		Column Labels		
4	Row Labels	SUB CATEGORY	CREDIT	DEBIT	Grand Total
5	ACCOUNT BALANCE TRANSFER	(blank)	5483.27		5483.27
6	HMRC	(blank)		-1770.45	-1770.45
7	INSURANCE	(blank)		-90	-90
8	NTC DIRECT PAYMENT	(blank)	17377.81		17377.81
9	PA SELF EMPLOYED	(blank)		-13505.1	-13505.1
10	PA WAGES	(blank)		-168	-168
11	REPAYMENT OF FUNDS	(blank)		-6894.53	-6894.53
12	SUPPORT SERVICE	PAYROLL		-433	-433
13	Grand Total		22861.08	-22861.08	£0.00
14					







North Tyneside Council - Personalisation Support Team
Pre-Paid Cards Audit Reconciliation Sheet

Service User:	Mrs C	Date of Audit:	16 April 2015
Period From:	05/02/2014	Audit Officer:	Alan Bridgett
Period To:	05/02/2015	Final Audit Y/N:	Yes

	Date of Last Audit	Balance Fwd
Balance Forward	First	£ 5,483.27
Buffer	Amount	Two Weeks
Weekly Amount		
Direct Payments		

Period From:	Period To	Care Plan Assessed Weekly Amount	Expected Expenditure	Overall Direct Payments Made by NTC	Balance
05/02/2014	05/02/2015	£ 320.00	£ 16,731.43		
			£ -		
			£ -		
			£ -		
			£ -		
			£ -		
		Balance	£ 16,731.43	£ 17,377.81	-£ 646.38

One Off Payments			Overall
Date	Description	Amount	
21/04/2015	DP support Service	£ 150.00	
	Balance	£ 150.00	£ 150.00

Personal Contributions					
Period From:	Period To	Assessed Weekly Amount	Total to be Paid	Total Actually Paid	Balance
					
			£ -	£ -	£ -

Audit Summary	Actual	Expected	Difference
Total Expenditure For Services	£ 15,966.55	£ 16,881.43	-£ 914.88
Total Direct Payment Made By NTC	£ 17,377.81	£ 16,881.43	£ 496.38
Total Contributions By Service User	£ -	£ -	£ -
Repayment of Funds	£ 6,894.53	Bal Fwrd	Total Amount
Difference of Expenditure less Personal Contributions and Direct payments	-£ 5,483.27	£ 5,483.27	£ -

Actual Account Balance		
If DP Ended	Date Returned	Amount
Return to Service User		
Return to NTC	16/02/2015	£ 6,894.53



New Process

Review Officer advises Direct Payment Team one month before review date

Direct Payments Team provides –

- Conversion
- Pivot table
- Audit sheet



Review Officer role

- Review Officer asks the service user about the support they receive and who is providing this support from the data
- Ideally the interview should take place with the service user only with no outside influence
- The service user response should state all the PA's used and the hours they work

