



26 JAN 2017

Privacy of another: section 9(2)(a)

Dear Privacy of another: section 9(2)(a)

On 11 November 2016, you emailed the Ministry requesting, under the Official Information Act 1982, information regarding the number of prosecutions for relationship fraud, monies lost and recovered due to relationship fraud, and information regarding assets seized in relationship fraud, including the top ten highest value assets seized.

The Ministry of Social Development takes its responsibilities very seriously in administering \$23 billion of government expenditure to provide income assistance and services to more than one million New Zealanders each year. The Ministry works hard to protect the integrity of the system to ensure it remains fair for all New Zealanders.

The Ministry has a dedicated team of over 100 specialist fraud investigators throughout the country, and an Intelligence Unit that identifies emerging fraud risks and trends. The Ministry works with other government agencies to identify and reduce the incidence of fraud and also investigates cases which arise through allegations from members of the public.

Relationship fraud is a complex type of fraud that involves a person receiving a benefit they were not entitled to because they did not advise the Ministry of changes to their relationship status. Relationship Debt Sharing is where the relationship fraud is not limited to one of the partners in the relationship. For Relationship Debt Sharing there must be some degree of fraud on the part of the person in receipt of the benefit. In the case of partners, if they 'knowingly benefited' or 'ought to have known' that fraud was occurring, then this will constitute relationship debt. The Ministry uses two factors when determining a relationship: emotional commitment and financial interdependence. Investigations into relationship fraud take considerable time as investigators must determine that a relationship exists, when that relationship began, the excess paid and how much is, therefore, to be repaid.

Further information about relationship debt sharing can be found online at: [www.workandincome.govt.nz/map/income-support/core-policy/relationship-debt-sharing/index.html](http://www.workandincome.govt.nz/map/income-support/core-policy/relationship-debt-sharing/index.html)

For clarity, I will address each of your questions in turn:

- *Since July 7, 2014, how many people have been prosecuted for relationship welfare fraud/overpayments each month? Please break down by: type of fraud (e.g. benefit, studylink), location of individual (e.g. district court where proceedings were filed), and gender of individual prosecuted.*

The number of relationship fraud prosecutions, broken down by financial year and prosecution outcome, between 1 July 2014 and 30 June 2016 is provided in table one below.

**Table one: Number of relationship fraud prosecutions, broken down by financial year and prosecution outcome, between 1 July 2014 and 30 June 2016.**

Prosecution Outcome	Financial Year	
	2014/15	2015/16
Successful prosecutions	302	S
Unsuccessful prosecutions	17	S
<b>Completed prosecutions</b>	<b>319</b>	<b>321</b>

**Notes:**

- Completed prosecutions only include prosecutions that lead to an outcome.
- Prosecution outcomes are successful, unsuccessful and all completed.
- 'S' represents a suppressed figure in order to protect the privacy of natural persons, in accordance with section 9(2)(a) of the Act. The need to protect the privacy of these individuals outweighs any public interest in this information.

Table two is attached as Appendix one and shows the number of completed relationship fraud prosecutions, broken down by financial year and last hearing court location, between 1 July 2014 and 30 June 2016.

The Ministry does not collate data on the number of relationship fraud prosecutions broken down by gender nor by the type of relationship fraud as it is not standard reporting. Your request is refused under section 18(f) of the Official Information Act, as substantial manual collation would be required to compare multiple databases, match case information and separate out the type of fraud and gender that is within scope of your request. 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.

Please note that benefit fraud statistics are publically available at: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/fraud-prosecutions/index.html>

- *How much money has been lost to relationship fraud since July 7, 2014?*
- *How much has been recovered following successful prosecutions of relationship fraud?*
- *What is the total value of assets seized in relationship property fraud?*

The total dollar values of all fraud debts, broken down by established and recovered, for the financial years 2013/14 to 2015/16 are provided in table three.

**Table three: Total dollar values of all fraud debt, broken down by established and recovered, for the financial years from 2013/14 to 2015/16.**

<b>Financial Year</b>			
<b>Fraud</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
<b>Established</b>	\$41,709,075	\$31,412,114	\$24,174,574
<b>Recovered</b>	\$3,941,123	\$4,847,855	\$5,141,600

**Notes:**

- This figures show all fraud debt held, not just relationship fraud debt.
- Debt recovered is an estimate.
- The Ministry recovers debt from the client's total balance, not the individual line items.

The Ministry does not currently record relationship fraud debt separately from all other types of fraud debt, therefore your request is refused, as substantial manual collation would be required to compare multiple databases, match case information and separate out the causes of the debt that are within scope of your request. As such, your request is refused under section 18(f) of the Official Information 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.

The Ministry's fraud investigation teams have a core focus on fully investigating high level fraud and prosecuting where appropriate, increased emphasis is being placed by investigation staff on both supporting Work and Income staff to identify and respond to suspected fraud, and within the investigation teams themselves, refocus towards early intervention activities where entitlement is corrected early, before long term fraud can occur.

- *What were the top 10 highest value assets seized and what were those assets (e.g. car, house, TV.)*

On 1 October 2012, Cabinet noted that the Ministry would apply a more vigorous approach to seizing the assets of people who commit welfare fraud, in order to recover more welfare fraud related debt. The Ministry's Fraud Intervention Services are responsible for investigating and assessing the seizing of assets.

There are a small number of people who are prosecuted for welfare fraud, who also have significant assets, such as cash or property. The Ministry takes every opportunity to recover fraud related debt, including the seizure of assets and using

them to repay the Ministry. When considering when to seize assets there must be a clear benefit to the Ministry to justify the cost of seizing.

The Fraud Intervention Services role in the seizing assets process is to:

- Include the identification of any cash or assets in the investigation plan.
- Identify assets as part of their fraud investigation process.
- Prosecute fraud when they can.
- Pursue options with Legal on how properties and other assets can be secured and used to repay welfare fraud debts.
- Refer all cases that meet the criteria for recovery through the Criminal Proceeds (Recovery) Act 2009 to the New Zealand Police Asset Recovery Unit.

Additional information regarding strengthening fraud prevention and debt recovery is publically available online at: <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/corporate/annual-report/2014-2015/delivering-strategic-intentions/strengthening-fraud-prevention.html>

The Ministry has not yet seized assets following a successful relationship fraud prosecution. Accordingly, your request for information for the top 10 highest value assets seized is refused under section 18(e) of the Official Information Act as this information does not exist.

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 attachments available to the wider public after ten working days. The Ministry will do this by publishing this letter on the Ministry of Social Development'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, 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



Ruth Bound  
**Deputy Chief Executive, Service Delivery**

## Appendix One

**Table two: Number of completed relationship fraud prosecutions, broken down by financial year and last hearing court location, between 1 July 2014 and 30 June 2016.**

Last Hearing Court Location	Financial Year	
	2014/15	2015/16
Ashburton District Court	0	0
Auckland District Court	17	18
Blenheim District Court	S	S
Christchurch District Court	11	31
Dannevirke District Court	S	S
Dargaville District Court	0	S
Dunedin District Court	9	13
Feilding District Court	0	S
Gisborne District Court	S	0
Gore District Court	S	S
Greymouth District Court	S	0
Hamilton District Court	40	40
Hastings District Court	S	13
Hawera District Court	S	S
Huntly District Court	9	S
Invercargill District Court	S	6
Kaikohe District Court	6	6
Kaikoura District Court	0	0
Kaitaia District Court	S	S
Levin District Court	S	9
Lower Hutt District Court	S	8
Manukau District Court	36	34
Masterton District Court	S	S
Morrinsville District Court	S	S
Napier District Court	8	6
Nelson District Court	S	11
New Plymouth District Court	11	S
North Shore District Court	6	S
Oamaru District Court	S	0
Ohakune District Court	0	S
Opotiki District Court	S	0
Palmerston North District Court	27	29
Papakura District Court	10	7
Porirua District Court	S	S
Pukekohe District Court	S	S
Queenstown District Court	0	0

Last Hearing Court Location	Financial Year	
	2014/15	2015/16
Rotorua District Court	S	S
Taihape District Court	S	S
Taupo District Court	S	0
Tauranga District Court	12	8
Te Awamutu District Court	S	S
Te Kuiti District Court	S	0
Thames District Court	0	S
Timaru District Court	S	S
Tokoroa District Court	S	S
Upper Hutt District Court	0	0
Waihi District Court	S	0
Waipukurau District Court	S	0
Wairoa District Court	S	S
Waitakere District Court	18	7
Wellington District Court	6	S
Whakatane District Court	S	S
Whanganui District Court	12	7
Whangarei District Court	S	7
<b>Grand Total</b>	<b>319</b>	<b>321</b>

**Notes:**

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- 'S' represents a suppressed figure in order to protect the privacy of natural persons, in accordance with section 9(2)(a) of the Act. The need to protect the privacy of these individuals outweighs any public interest in this information.