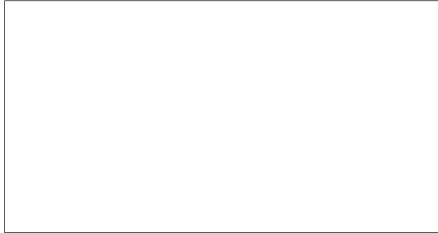




**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

13 NOV 2017



On 15 September 2017 you emailed the Ministry requesting, under the Official Information Act 1982, the following information:

- *Any reports, briefings or correspondence about the offending of Nabjeet Singh, a former MSD investigator.*
- *In particular, I'm seeking material about how his offending was discovered, how he was able to do it, what steps have been taken to stop this from happening again, and why his offending was not uncovered by data-matching or other MSD audits.*

On 20 September 2017 you spoke with a Ministry official and clarified that you are specifically interested in any briefing documents that provide a chronology of events.

Please find attached two documents, a memo titled '*Approval for Extradition – Nabjeet Singh – ex MSD Staff Member*', dated 4 July 2014 and a memo titled '*Nabjeet Singh Internal Fraud – Post Investigation Action*', dated 4 August 2014.

You will note that the names of some individuals are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information. Some information is also withheld under section 9(2)(h) of the Act in order to maintain legal professional privilege. The greater public interest is in ensuring that government agencies can continue to obtain confidential legal advice. In addition, a small amount of information has been withheld, from the following document, under section 6(c) of the Official Information Act where making that information available would be likely to prejudice the maintenance of the law, including the prevention, investigation and detection of offences.

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 shortly. The Ministry will do this by publishing this letter and attachments 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.

If you are not satisfied with this response concerning internal fraud investigations, 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.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ruth Bound', with a long horizontal flourish extending to the right.

Ruth Bound

Deputy Chief Executive, Service Delivery



memo

To: Wendy Venter, DCE Integrity Services

CC: Debbie Raines, National Manager, NFIU

[Redacted], Deputy Chief Legal Advisor

From: [Redacted], Manager, Internal Fraud Unit

Section 9(2)(a) Privacy of natural persons

Date: 4 July 2014

Security level: IN CONFIDENCE

This memo may contain legal advice and be legally privileged. It should not be disclosed on an information request, without further legal advice

Subject: Approval for Extradition – Nabjeet Singh – ex MSD Staff Member

Action: For Approval

1. Purpose

- 1.1. The purpose of this report is to gain approval to seek the extradition of Nabjeet Singh from Australia. This is a Welfare Fraud Collaborative Action Plan (WFCAP) case being worked on jointly by MSD, Inland Revenue and Police.

2. Background

- 2.1. Nabjeet Singh and his wife Pardeep have both worked for the Ministry for some years and both have resigned following employment investigations. Below is an outline of their history with MSD. Although there is no verification that the couple are legally married MSD has verification where they have referred to each other as husband and wife.

2.2. Out of Scope

2.3.

2.4.

2.5. Out of Scope

2.6.

2.7.

2.8.

2.9. Pardeep resigned on 27 March 2013 as a result of preliminary enquiries relating to this current offending for which we are seeking extradition of Nabjeet – see details below.

3. Current Alleged Offending

3.1. On 28 January 2013, an anonymous informant contacted the Ministry's allegation line and alleged that Pardeep Singh (wife of Nabjeet, and employed by the Integrity Intervention Centre) had two separate IRD numbers, was receiving assistance from the Inland Revenue Department under a different name and that monies were being paid into a Westpac Bank account under the name of Pardeep Thiara.

3.2. Pardeep Singh met with the Ministry on 27 February 2013 to discuss the allegation and how this may affect her employment with the Ministry. She denied the allegations. Following on-going employment discussions with the Ministry, Pardeep Singh tendered her resignation on 27 March 2013.

3.3. The Ministry's Intelligence Unit commenced enquiries into the alleged fraud and uncovered a Trust Bank account (23-3703-0199339-086) into which four clients had received benefit payments.

- Pardip Thiara Kaur (aka Parveen Thiara Kaur) (SWN 367-940-616)
- Pardip Kaur Thiara (SWN 368-344-662)
- Pardip Kaur (SWN 365-325-892)
- Pardip Weekoon (SWN 364-758-996)

3.4. On 14 March 2013, the Inland Revenue Department provided information and documentation to the Ministry's Intelligence Unit under information sharing

agreements between the two agencies. At that point in time it appeared that Nabeet Singh and Pardeep Singh were possibly implicated in the creation and receipt of benefit payments made to four fictitious clients.

3.5. Out of Scope

Nabeet Singh left NZ in mid 2012 with one child. MSD has no further information of where he has travelled to since leaving NZ mid 2012.

3.6. Pardeep was interviewed by the IFU on 13 May 2014. She denied any knowledge of or involvement in any of the aspects of fraud.

3.7. A significant amount of investigation work has now been completed. It has been confirmed that:

- the four benefits have been paid using fake identities
- children claimed for in these benefits do not exist (there are no birth, immigration or education records for them)

• Out of Scope

- Nabeet is recorded as the person logged in to the relevant MSD computer terminals on each occasion that were used to access, search, view and process the four benefit records.

- All four fake benefits were paid to the same Westpac bank account in the name of Pardip Kaur but the document is completed by Pardeep Singh. Contact details for the account are either identical or can be linked to that used by Nabeet and/or Pardeep.

- Transactions from the Westpac account can be linked to Nabeet and an ANZ account.

- Desk diaries removed from Nabeets desk Out of Scope have yielded significant evidence to support our contention that Nabeet is largely responsible for the four fake benefit records.

- There are links between IR and MSD documentation that have been discussed and are being shared under WFCAP rules and guidelines.

3.8. Full details of the investigation to date are attached as a draft Summary of Facts.

3.9. The estimated loss to the Ministry in this case has been assessed as \$349,000.

3.10. Out of Scope

3.11. The following benefits have been paid to the identities specified:

- **Parveen THIARA-KAUR (SWN 367-940-616)**

08 February 2000 to 22 May 2000 – Invalids Benefit
29 September 2000 to 27 May 2010 – Invalids Benefit
27 May 2002 to 16 June 2010 – Unsupported Child Benefit

- **Pardip KAUR-THIARA (SWN 368-344-662)**

29 May 2000 to 29 September 2000 – Invalids Benefit

- **Pardip KAUR (SWN 365-325-892)**

06 July 1998 to 29 January 1999 – Invalids Benefit

- **Pardip WEEAKOON (SWN 364-758-966)**

12 January 1998 to 06 April 1998 – Emergency Benefit
06 April 1998 to 06 July 1998 – Invalids Benefit

Overpayments have been assessed as follows:

- \$18,338.90 (Child Disability Allowances payments - sourced from bank statements)
- \$288,371.90 (Benefit payments of Invalids Benefit and Unsupported Child's Benefit during the period February 2000 to June 2010 - sourced from bank statements)
- \$7,522.46 (Benefit payments for client 364-758-996 - sourced from system data)
- \$24,978.10 (Benefit payments for client 365-325-892 - sourced from system data)
- \$6,061.66 (Non recoverable Special Needs Grants for client 365-325-892 during years 1998 & 1999 - sourced from system data)
- \$3,759.05 (Non recoverable Special Needs Grants for client 364-758-996 during year 1998 - sourced from system data)

Grand Total: \$349,032.07

3.12. The Police have agreed to be involved as a WFCAP partner in this case to support the extradition and asset recovery processes.

3.13. Out of Scope

4. Legal view

4.1. Legal has provided advice on charges that could be laid at this stage to get the process underway. This advice is attached as Appendix 2

4.2. This view is reinforced by advice from NZ Police Asset Recovery Team, who consider that Crimes Act charges should be laid in relation to this fraud.

5. Extradition

5.1. The Ministry does not currently have any policy in relation to extradition. In 1997, the Ministry (as Benefit Payment Control Unit) obtained an extradition order to bring Phyllis Safole back from Australia for prosecution in Dunedin where she was sentenced to 3 months imprisonment for benefit fraud relating to a marriage type relationship.

5.2. Other agencies approached (SFO, IR,) indicated that they do not have policies and that every situation is considered on a case by case basis.

5.3. IR advised that the factors that they consider when making a decision to extradite include:

- The nature of offending (is it an organised systematic attack)
- An offenders knowledge of the systems
- The degree of concealment and obstruction
- The degree of deliberation and planning
- The size of the loss and the period of offending

5.4. The Police advised that they use extradition for murder and sexual offending cases. Extradition is also used in fraud cases on occasion, particularly where offending exceeds \$250,000.

5.5. Some recent examples of fraud cases where extradition has been sought are:

- In April 2013, an Invercargill man was successfully extradited from Australia back to New Zealand by NZ Police and convicted on the basis of 123 fraud related charges amounting to \$93,000.
- In 2012 a male was successfully extradited from Australia by NZ police on behalf of IRD and convicted in relation to \$500,000 of tax fraud.
- In 2011 a male was extradited from Australia by NZ police on behalf of the SFO and convicted for \$1.4 million of IT fraud related offending.

5.6. The legal process does not preclude the Ministry from being a party to the extradition of a New Zealand citizen who can be charged with significant offending in New Zealand. The current climate of collaboration and the appetite to work collectively to obtain the best outcome for the Government makes this a very opportune time to consider extradition in this case.

5.7. If we assessed Nabweet Singh against IR's criteria, the scale of offending in this case is significant - \$350k over a long period of time. The investigation to date demonstrates high levels of concealment, obstruction, deliberation and planning on Nabweets behalf. He has clearly used his knowledge of Ministry systems and processes to hide his offending over a long period of time.

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position would be approximately \$230,000 recovered. (This is after projected Crown related costs incurred of approximately \$119,000)

10.2 On this basis, I believe that there is sufficient cost benefit to the Crown to extradite Nabeet Singh from Australia to New Zealand to face criminal charges.

11 Zero Tolerance

11.1 The Ministry has a Zero Tolerance policy covering a number of areas of offending including where current staff are found to have committed benefit fraud. In every case where a staff member is caught doing any of these things, the staff member will be dismissed and the matter will be referred to the Police for prosecution.

11.2 Throughout the lifetime of offending uncovered, Nabeet was employed as a Ministry staff member. It is therefore important that Nabeet is brought back to face charges in New Zealand in accordance not only with natural justice but also to comply with the Ministry's Zero Tolerance Policy.

11.3 If this case is prosecuted it is likely to be reported in the media and Ministry staff will be interested in the matter. The facts will send a strong Zero Tolerance message by reinforcing the Ministry's determination to pursue and prosecute staff (even those who leave New Zealand) who are responsible for internal fraud.

12 Staff resignations

12.1 Both Nabeet and Pardeep resigned, with immediate effect whilst under investigation by the Ministry.

12.2 They are in a minority of cases recently identified whereby a staff member had resigned rather than be subject to dismissal in line with the Ministry's Zero Tolerance policy.

12.3 We have reviewed how these matters must now be more robustly managed to ensure that staff that are being investigated for internal fraud are not able to circumvent the Zero Tolerance policy by forcing through their resignation.

12.4 A new process has been agreed between the Internal fraud Unit and Human Resources to minimise any risk to the Ministry whilst allowing the investigation to obtain evidence that will provide an early indication on whether the Zero Tolerance policy may have been breached.

13 Other Actions Following Detection

13.1 Nabeet was able to commit fraud as a result of a past weakness in the Ministry's internal transfer and recruitment process. Prior to joining Integrity Services he had been employed by the Ministry as a Case Manager with full accessing and processing rights in Ministry systems.

13.2 Upon transferring to Integrity Services his level of access was not adjusted to suit his new role. He exploited this and continued to grant and process financial assistance for the fake identities he had created.

13.3 We have since conducted a full review of access and processing levels for all NFIU staff. No internal fraud was detected and no staff were found to have undertaken any non-business related processing actions.

13.4 We have strengthened this vulnerability by setting up a default profile with IT so that anyone who now transfers into an Investigator role automatically loses any previous, higher level accessing or processing rights.

14 Other Considerations

14.1

Risks	Mitigation
Adverse media – extradition may be considered inappropriate	Briefing for Ministers to be developed Approval sought from DCE Develop media strategy as per the WFCAP Communications Strategy Strong Zero Tolerance message for current staff
MSD reputation with public, Police and Australian agencies could be compromised if processes or actions not completed properly	Guidance on the process has been given by Police and we will follow the advice and templates within their framework. Draft submissions will be made to Interpol who are prepared to assist us in the preparation of key documents.
Risk of fraud to Nabjeet's current employer(s) - We have received information that Nabjeet is working in the insurance industry in Western Australia.	By taking the decision to extradite Nabjeet from Australia to face charges of fraud in New Zealand, we are removing him from an industry where he may currently be committing fraud and also alerting his current and previous employers about the fraud risk he posed.
Value for money - spending crown money for extradition	Cost of extradition is reasonable and explainable. Costs are equivalent to approx. 1.6% of the value of the overpayment

14.2 Financial implications - while some of the costs associated with the extradition process are borne by the partner country and Interpol the Ministry will be responsible for the Police escort's travel costs if the subject needs to be escorted back from Australia.

14.3 Average cost for an extradition from Australia travel/accommodation from Sydney, Melbourne or Brisbane to Auckland is about \$5,000 (2 x airfares over, 2 x 1 night accommodation, 3 x airfares back) and extra expense to Perth is nominal and will not impact.

14.4 Costs can be met from within operational budgets.

15 Recommendation

It is recommended that you:

Note the content of this report.

Agree to MSD engaging with New Zealand Police and Inland Revenue to jointly seek the extradition of Mr Singh from Australia.

APPROVED / NOT APPROVED

Section 9(2)(a) Privacy of natural persons
Deputy Chief Legal Advisor

Date

APPROVED / NOT APPROVED

Wendy Venter
DCE, Integrity Services

Date

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APPENDIX 1

On or about the specified dates and periods the following identities were in receipt of the benefits mentioned below:

Pardip Thiara Kaur (aka Parveen Thiara Kaur) (SWN 367-940-616) was in receipt of the Invalids Benefit from 08 February 2000 to 22 May 2000, then again from 29 September 2000 to 27 May 2010. This client was also in receipt of Unsupported Child Benefit from 27 May 2002 to 16 June 2010. The client phoned the Ministry on 27 May 2010 asking for her benefit to be stopped as she had entered a relationship.

Client **Pardip Thiara Kaur** had two children included in her benefit record. The first child **Rajan Thiara** was added to the record on 04 March 2001. The second child **Navin Vaas** was added to the record on 27 May 2002. Both children continued to be on the record until the benefit stopped.

Pardip Kaur Thiara (SWN 368-344-662) was in receipt of the Invalids Benefit from 29 May 2000 to 29 September 2000.

The third client **Pardip Kaur (SWN 365-325-892)** was in receipt of the Invalids Benefit from 06 July 1998 to 29 January 1999.

Finally, **Pardip Weekoon (SWN 364-758-996)** was in receipt of the Emergency Benefit from 12 January 1998 to 06 April 1998 and then the Invalids Benefit from 06 April 1998 to 06 July 1998.

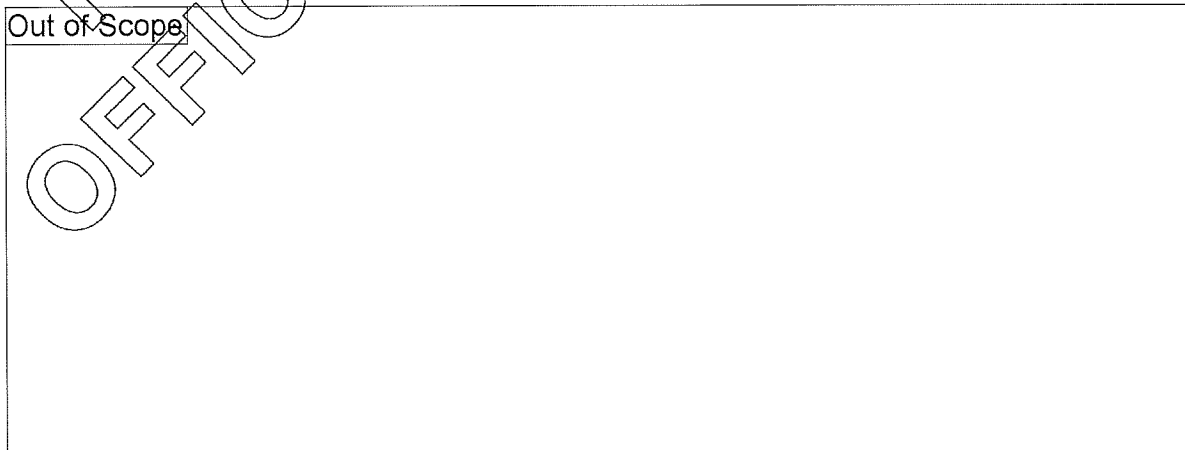
Staff History

Former Ministry staff member **Nabeet Singh** commenced his employment on 03 June 1993 as a Customer Services Officer. He was employed in this role up until he was appointed as a Case Manager on 06 January 1997.

Nabeet Singh was later employed as a Field Officer from 14 July 2003 to when he became an Investigator with the Ministry on 31 August 2009.

Mr Singh's wife **Pardeep Singh** is also a former staff member of the Ministry and she commenced employment on 22 June 2004 as a Data Match Officer. She was employed in this role up until she was appointed as a Quality Officer on 19 July 2010.

Out of Scope



Out of Scope

On 28 January 2013, an anonymous informant contacted the Ministry's allegation line and alleged that Pardeep Singh had two separate IRD numbers and was receiving assistance from the Inland Revenue Department under a different name and that monies were being paid into a Westpac Bank account under the name of Pardeep Thiara.

Pardeep Singh met with the Ministry on 27 February 2013 to discuss the allegation and how this may affect her employment with the Ministry. She denied the allegations.

Following on-going employment discussions with the Ministry, Pardeep Singh tendered her resignation on 27 March 2013.

Intelligence Enquiries

The Ministry's Intelligence Unit commenced enquiries into the alleged fraud and uncovered a Trust Bank account (23-3703-0199339-086) into which four clients had received benefit payments.

The Intelligence Unit liaised with numerous government agencies to seek clarification on the genuine existence of the four clients in question. Further preliminary enquiries were carried out in order to establish reasonable grounds for a formal investigation.

On 14 March 2013, the Inland Revenue Department communicated information and documentation to the Ministry's Intelligence Unit pursuant to information sharing agreements between the two agencies.

At that point in time it appeared that Nabjeet Singh and Pardeep Singh were possibly implicated in the creation and receipt of benefit payments made to four fictitious clients.

An investigation into the benefit entitlements of the four clients in question was commenced on 29 July 2013. Various enquiries were carried out pursuant to sections 11 and 12 of the Social Security Act 1964 and/or Principle 11 of the Privacy Act 1993 in order to obtain evidence.

The investigation into this matter has established the following:

Evidential Statements

- Immigration New Zealand has no record of any of the fictitious identities having any interaction with them. They have no records of any of the identities applying for a visa to enter New Zealand, attempting to sponsor a family member to enter New Zealand or travelling in or out of New Zealand.
- Department of Internal Affairs has no record of any of the fictitious identities ever applying for or being issued New Zealand Citizenship, New Zealand Passports and/or New Zealand Travel Documents. They also have no record of any of the identities.
- Births, Deaths and Marriages has no record of any of the fictitious identities having a registered birth, name change, marriage or civil union in New Zealand for as far back as their records allow.
- The Ministry of Education has no record of children Navin Vaas and Rajan Thiara being enrolled in a New Zealand school or being home-schooled dating back to 2004.
- Section 9(2)(a) Privacy of natural persons
- This address was used frequently to support the false identities.

Ministry Accessing Data

- Nabjeet Singh has used the Ministry of Social Development system UCVII to extensively access and view the records of client Pardip Thiara Kaur (SWN 367-940-616) on numerous occasions during the period 04 September 2001 to 09 April 2010.
- Nabjeet Singh has used the Ministry of Social Development system SWIFTT to search for clients with the name similar to Pardip Thiara Kaur (SWN 367-940-616) on numerous occasions during the period 05 December 2002 to 18 August 2008.
- Nabjeet Singh has used the Ministry of Social Development system SWIFTT to amend the client record for Pardip Thiara Kaur (SWN 367-940-616) on numerous occasions during the period 04 January 2002 to 09 April 2010.
- Nabjeet Singh has used the Ministry of Social Development system UCVII to access and view the records of client Pardip Kaur Thiara (SWN 368-344-616) on 08 April 2004 and 07 December 2004.
- Nabjeet Singh has used the Ministry of Social Development system SWIFTT to amend the client record for Pardip Kaur (aka Pardip Weekoon) (SWN 364-758-996) on numerous occasions during the period 10 March 1998 to 08 July 1998.
- Pardeep Singh does not appear to have accessed or made any amendments on the four fictitious client records.

- Contact was received from client Pardip Thiara Kaur on 03 April 2007 through the Ellerslie Work and Income Contact Centre. The Customer Services Officer [redacted] who answered the phone call first accessed the client's record at 12:43pm. Nabjeet Singh accessed this client's record minutes before and after the phone call.
- Contact was received from client Pardip Thiara Kaur on 13 June 2005 through the Hamilton Work and Income Contact Centre. Nabjeet Singh accessed the client's record in UCVII around three hours prior to the Customer Services Officer accessing the record at 13:54pm.
- On 12 May 2005, a phone call was made to the Work and Income Wellington Contact Centre. The person who called stated they were the agent for client Pardip Thiara Kaur and wanted to discuss Child Disability Allowance. The Customer Services Officer declined to speak to the person as no agent was listed for the client.
- On 16 May 2005, Nabjeet Singh added a note to the client's UCVII record stating that there now was an agent by the name of Jas B Bas.
- A call was made to the Work and Income Wellington Contact Centre on 27 May 2010 at 17:43:09pm for client Pardip Thiara Kaur requesting that the benefit be stopped as she was in a new relationship. Nabjeet Singh phoned the Work and Income 0800 number from his work cell phone at 17:42:21 on the same date.

Westpac Bank – Pardip Thiara Kaur

- All four clients have had all of their benefit payments made into Trust Bank account number 23-3703-0199339-086. This account number was replaced with a Westpac bank account number 03-0774-0911828-025 on 15 June 1998.
- Westpac bank account opening documentation received by Westpac on 24 April 1998 states that the account is under the name of Pardip Kaur but the document is recorded as having been completed by former staff member Pardeep Singh.
- The date of birth recorded on the Westpac system for client Pardip Kaur is 09 September 1972. Address and contact details are recorded as 7 Lowry Crescent, Stokes Valley, Lower Hutt and 04 563 6759.
- The date of birth that Westpac have recorded for Pardip Kaur is the same date of birth for Pardeep Singh.
- The address and telephone number that Westpac have recorded for Pardip Kaur is the same address and telephone number that Nabjeet Singh and Pardeep Singh have used.
- Documentation obtained by Westpac bank for account 03-0774-0911828-025 states that the Online Banking logon ID is 3833596.
- The postal address recorded on this Westpac account was PO Box 40829, Upper Hutt during the period 16 July 1998 to sometime in April 2000.
- In April 2000 the postal address for Westpac bank account 03-0774-0911828-025 was changed to PO Box 37285, Stokes Valley. This continued to be the postal address up until the benefit stopped on 16 June 2010.

- Bank statements show that during the period 21 February 2000 to 27 May 2010, 484 Bill Payments have been made to a Visa card totalling \$113,654.94. This Visa card belonged to Nabjeet Singh.
- I am reasonably certain that during the period 01 December 2005 to 21 May 2010 the Bill Payments were made to a Visa Card under the name of Nabjeet Singh as credit card statements obtained show the exact payments being credited on the corresponding dates.

Westpac Bank – Nabjeet Singh

- Account 03-0531-0717705-026 was opened by Nabjeet Singh. He has signed the Account Opening Document which was dated 11 March 2003. He has listed his address as PO Box 37285, Stokes Valley, Lower Hutt.
- Bank statements obtained for account 03-0531-0717705-026 show that the recorded address was PO Box 37285, Stokes Valley, Lower Hutt, from when the account was opened on 11 March 2003 to 16 May 2010.
- Account 03-0531-0717705-027 was opened by Nabjeet Singh. He has signed the Account Opening Document which was dated 13 December 2005. He has also listed his address for this account as PO Box 37285, Stokes Valley, Lower Hutt.
- Bank statements obtained for account 03-0531-0717705-027 show that the recorded address was PO Box 37285, Stokes Valley, Lower Hutt, from when the account was opened on 13 December 2005 to 18 December 2009.
- Nabjeet Singh also had a Westpac Visa credit card under his name. The Visa card was initially issued (on an unknown date) with account number 0030 0644 7324. This account number was later transferred to account number 0030 2129 5302 on 01 April 2009.
- Credit card statements have been obtained from Westpac Bank for account numbers 0030 0644 7324 & 0030 2129 5302, from 28 November 2005 to 24 May 2010. The address on the statements for the entire period is PO Box 37285, Stokes Valley, Lower Hutt.

New Zealand Post

- New Zealand Post received an application to open a PO Box on 11 April 2000. This application was completed by a Mr N Singh but in the name of P Kaur. The address was recorded as 7 Lowry Cres in Stokes Valley and the telephone numbers are recorded as 04 234 1985 and 04 526 9155. PO Box 37285, Stokes Valley was allocated.
- An application was completed and received by New Zealand Post on 18 June 2010 in which the box holder for PO Box 37285 was changed from Pardip Kaur to Nabjeet Singh. It is noted on the document to bill Mr Singh being P Kaur's husband and to list the box in his name. The handwriting does not appear to be similar to Nabjeet Singh's handwriting.

- PO Box 37285 was closed by way of correspondence to New Zealand Post dated 27 April 2012. The document states that the Box was closed by Nirmal Singh. The handwriting, signature, forwarding address and contact details match that of Nabeet Singh.
- PO Box 37285 has been used a postal address on two of the fictitious client Work and Income records during the period 12 April 2000 to 21 May 2010 (the date the last Work and Income letter was sent to this address).

Desk Diaries

- Out of Scope [redacted] seized desk diaries and an A4 notebook located in a credenza beside Nabeet Singh's desk and behind his desk. Out of Scope [redacted]
- The Online Banking log in ID for Westpac account 03-0774-0911828-025 has been written at the front of Nabeet Singh's 2003 work desk diary with the reference "PKaur WP" written next to it. On the same page his own Westpac and ANZ Online banking logon ID's are written.
- The same log in ID has been written at the back of Nabeet Singh's 2006 work desk diary with the reference "WPPK" written next to it. Just below this he has written his own Westpac and ANZ online banking logon ID's.
- In Nabeet Singh's 2007 work desk diary he has again written the same log in ID at the back of his diary with the reference "WPPK" written next to it. His personal log in ID's were again written on the same page.
- On a page dated 30 December 2009 in Nabeet Singh's 2009 work desk diary the Westpac log in ID has been recorded with the reference "WPPK" written next to it. His personal log in ID's has been written on the same page.
- A code number (CX5706) was written on the top of the application to open PO Box 37285, Stokes Valley. A slight variation of this code (CX5607) was written in the back of Nabeet Singh 2007 work desk diary. It has Stokes/Door written next to the code. It is likely that this code was the access code to PO Box 37285.
- The code number CX5706 was also written in Nabeet Singh's 2009 work desk diary on a page headed 'Personal Memoranda'. This code number was written next to IRD number of 46-862-600 (Nabeet Singh's IRD number) and directly under the code number Stokes Valley 5141 (post code) is written.
- A variation (CX5607) of the code number was written at the back on Nabeet Singh's 2009 work desk diary, along with the wording Stokes Valley next to it.
- At the back of Nabeet Singh's 2006 work desk diary he has again written the code number CX5607 with S/V/D written next to it.
- On a page dated 05 January 2006 in Nabeet Singh's 2006 work desk diary, the following has been written: Out of Scope [redacted] 9/10/1962, Rajan 24/4/1998, Thaira (crossed out) and 66-891-534 (Pardip Thiara Kaur's IRD number). The above details match that of the fictitious client Pardip

Thiara Kaur SWN 367-940-616.

- In Nabjeet Singh's 2006 work desk diary, the SWN number 367-940-616 (Pardip Thiara Kaur) is written next to the wording 11.00 Raj Aitio. The details are written on page dated 09 January 2006.
- In the front pages of Nabjeet Singh's 2007 work desk diary, the following has been written: [Out of Scope] 25/1/85 Imm Date, 9/10/1962, Rajan 24/4/1998 and 66-891-534 (Pardip Thiara Kaur's IRD number).
- On a page dated 09 January 2006 in Nabjeet Singh's 2007 work desk diary, the SWN number 367-940-616 (Pardip Thiara Kaur) is written next to the wording Ajam Ahmed. An address [Out of Scope] has been written in brackets below the SWN number.
- A piece of loose paper folded and enclosed in-between pages dated 30 June 2007 and 01 July 2007, the following has been written: End of School, 021 251 2480, 37 Mitchell Street, 37-285 – Stokes Valley, Taita College, 367-940-616, Navin Vaas 10/6/91, Rajan 20/4/98, Thaira Kaur 9/10/62. The above was contained within Nabjeet Singh's 2007 work desk diary.
- 37285 Stokes Valley has been written on a page dated 30 December 2007 within Nabjeet Singh's 2007 work desk diary.
- In the front pages of Nabjeet Singh's 2009 work desk diary, the following has been written: 37 Mitchell, 25/1/85 Immi, Rajan 24/4/98, 66-891-534 (Pardip Thiara Kaur's IRD number).

Ministry Personnel Files

- An application for appointment with the New Zealand Public Service was completed and signed by Nabjeet Singh on 17 September 1991. He has listed his postal address as PO Box 40-829, Upper Hutt.
- Nabjeet Singh completed and signed a Personal Emergency Details form dated 09 October 1998 in which he has given his residential address as 7 Lowry Crescent, Stokes Valley and his telephone number as 563 6759.
- An Emergency Information form was signed by Nabjeet Singh and dated 19 June 2001 in which he confirmed that his residential address is 7 Lowry Crescent, Stokes Valley, Lower Hutt.
- Another Emergency Information form was completed and signed by Nabjeet Singh and dated 14 October 2003 in which he confirmed that his residential address is 7 Lowry Crescent, Stokes Valley, Lower Hutt.
- Nabjeet Singh completed and signed an Emergency Information form (MSD) dated 30 December 2003 in which he listed his home telephone number as 234 1985 and his wife Pardeep Singh's cell phone number as 021 251 2480. The home telephone number matches the telephone number given on the application for PO Box 37285 in the name of Pardip Kaur.
- Nabjeet Singh completed and signed an application form for State Sector Retirement Savings Scheme (ASB) dated 19 August 2005 in which he has listed his telephone

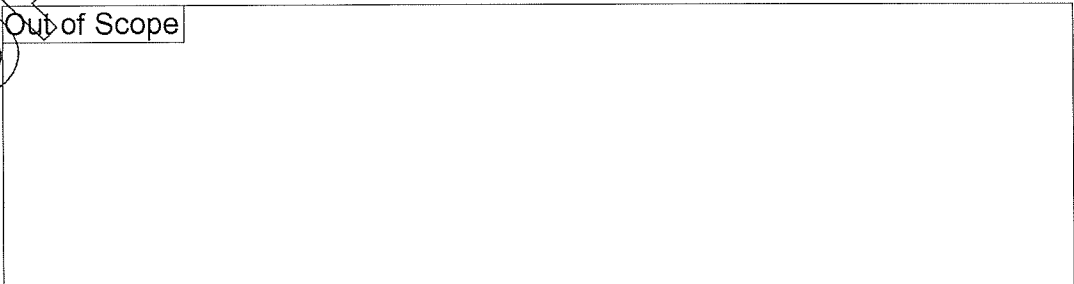
number as 526 9155. This telephone number matches the telephone number given on the application for PO Box 37285 in the name of Pardip Kaur.

- Nabjeet Singh completed and signed an Emergency Information form (MSD) dated 20 October 2008 in which he listed his home telephone number as 04 526 9155. This matches the telephone number given on the application for PO Box 37285 in the name of Pardip Kaur.
- Nabjeet Singh signed an Emergency Information form (MSD) dated 20 November 2009 in which he listed his home telephone number as 04 526 9155. This matches the telephone number given on the application for PO Box 37285 in the name of Pardip Kaur.
- A Staff Details form was completed in what appears to be similar to Nabjeet Singh's handwriting where he has listed his telephone number as 526 9155. The form is not signed or dated but was completed while he worked within the National Fraud Investigation Unit.
- Pardeep Singh completed and signed an Emergency Information form in which she has listed her telephone number as 04 526 9155. The document is not dated.
- Pardeep Singh completed and signed an application form for State Sector Retirement Savings Scheme (ASB) dated 16 August 2004 in which she has listed his telephone number as 526 9155 and her cell phone number as 021 251 2480.

Schools

- There is a UCVII note dated 18 December 2007 under the client record Pardip Thiara 367-940-616 which states that the client has confirmed that child Navin Vaas is still dependent on them and will be returning to Taita College in 2008.
- Taita College have confirmed that no student by the name of Navin Vaas has been enrolled with their college during the period 27 May 2002 and 16 June 2010.
- There is a UCVII note dated 18 November 2009 under the client record Pardip Thiara Kaur 367-940-616 which states that the client has made contact that child Navin Vaas is attending Naenae College.
- Naenae College have confirmed that no student by the name of Navin Vaas has been enrolled with their college at any time.

MSD & IRD Documentation

- Out of Scope
- 

- While Nabjeet Singh was employed with the Ministry he received Child Disability Allowance for two of his own children. These claims appear to be legitimate. He has completed two Child Disability Allowance Application forms (MSD Documents) benefit stamp dated 06 July 2006. The handwriting contained within these documents appears similar to that of the handwriting on documentation completed for Pardip Thiara Kaur.
- An Application to Review Unsupported Child's Benefit (MSD Document) benefit stamp dated 20 February 2008 was completed for the client Pardip Thiara Kaur 367-940-616. There is no handwriting on the document apart from a signature. It is therefore difficult to compare this to Nabjeet Singh's handwriting.
- A Work and Income Review form (MSD Document) benefit stamp dated 05 March 2008 has been completed for the client Pardip Thiara Kaur 367-940-616. The handwriting on this document appears similar to that of Nabjeet Singh.
- An Application to Review Unsupported Child's Benefit (MSD Document) benefit stamp dated 08 February 2010 was completed for the client Pardip Thiara Kaur 367-940-616. There is no handwriting on the document apart from a signature. It is therefore difficult to compare this to Nabjeet Singh's handwriting.
- No other documentation could be located under the four fictitious clients and is believed to be missing and/or destroyed.

Telephone Numbers

- On 09 April 2010, Nabjeet Singh added the cell phone number 021 251 2480 to client record Pardip Thiara Kaur 367-940-616.
- Pardeep completed employment documentation while she was employed with the Ministry in which she has listed her cell phone number as 021 251 2480.
- Nabjeet Singh completed employment documentation while he was employed with the Ministry in which he has listed his wife Pardeep Singh's cell phone number as 021 251 2480.
- Nabjeet Singh phoned 021 251 2480 from his desk work phone on 08 March 2004 and 17 March 2005. He has also called this cell phone number from his work cell phone numerous times during the period 23 August 2003 to 01 June 2011.

Property Titles

- 7 Lowry Crescent, Stokes Valley was owned by Nabjeet Singh and Pardeep Singh from 21 July 1998 to 23 December 2003. This address is linked to the fictitious client Pardip Thiara Kaur 367-940-616. This address was recorded on the application form completed for PO Box 37285 in the name of Pardip Kaur.
- 7 Lowry Crescent, Stokes Valley was also listed as an address on the Westpac bank account under the name of Pardip Kaur.
- 5 Sapphire Grove, Birchville is currently owned by Nabjeet Singh and Pardeep Singh and has been owned from 15 June 2005. This address has also been linked to the

fictitious client Pardip Thiara Kaur 367-940-616. This address was recorded on document completed to close PO Box 37285 in the name of Nabeet Singh.

ANZ Bank Statements

- Account 01-0546-00019926-00 was opened by Nabeet Singh and Pardeep Singh back in May 1998. Bank statements obtained for account this account show the recorded address was PO Box 37285, Stokes Valley, Lower Hutt, for the period of the statements being 16 June 2006 to 16 June 2010.
- ANZ Bank have confirmed that PO Box 37285, Stokes Valley, Lower Hutt has been recorded as the address for account 01-0546-0019926-00 from 09 December 2004 to 16 June 2010. They do not have records of prior addresses.

The above evidence shows a number of significant direct links between Nabeet Singh, Pardeep Singh and the four fictitious clients (mainly Pardip Thiara Kaur SWN 367-940-616).

Contact has been made with Inland Revenue regarding client Pardip Thiara Kaur and Nabeet Singh. The following information has been requested pursuant to Information Sharing provisions between the Department and the Ministry:

- IRD Number Application form for Pardip Thiara Kaur (IRD Number 066-891-534)
- IRD Number Application form for Ms Kaur's alleged child Rajan Thiara (IRD Number 090-948-369)
- Further handwriting samples for Pardip Thiara Kaur (IRD Number 066-891-534)
- Dates and periods of time in which PO Box 37285, Stokes Valley has been recorded as a postal address on Nabeet Singh's (IRD Number 046-862-600) Inland Revenue record, to include details and/or notes of who updated the address
- Extracts from Nabeet Singh's interview with Inland Revenue on 26 May 2010 in which PO Box 37285, Stokes Valley and any of the above false identities were discussed
- Extracts from Pardeep Singh's interviews with Inland Revenue on 10 November 2010 and 18 August 2011 in which PO Box 37285, Stokes Valley and any of the above false identities were discussed
- Confirmation of whether Nabeet Singh and/or Pardeep Singh have ever been recorded by IRD as Nominated persons for Pardip Thiara Kaur (IRD Number 066-891-534)

Inland Revenue are prepared to release the IRD Number Application form for Rajan Thiara, periods in which Nabeet Singh has had PO Box 37285 recorded against his file and extracts from their interview with Nabeet Singh in which PO Box 37285 was discussed. The information is currently in the process of being formally released.

Further evidence is currently being sourced from other entities which will further solidify what the Ministry has already established.

The estimated loss to the Ministry for this case is as follows:

- \$18,338.90 (Child Disability Allowance Payments – paid to client Pardip Thiara Kaur)

- \$288,371.90 (Benefit payments of Invalids Benefit for clients Pardip Thiara Kaur and Pardip Kaur Thiara and Unsupported Child's Benefit for client Pardip Thiara Kaur during the period February 2000 to June 2010)
- \$7,522.46 (Benefit payments for client Pardip Weekoon)
- \$24,978.10 (Benefit payments for client Pardip Kaur)
- \$6,061.66 (Non-recoverable Special Needs Grants for client Pardip Kaur during the years 1998 & 1999)
- \$3,759.05 (Non-recoverable Special Needs Grants for client Pardip Weekoon during the year 1998)
- **Grand Total: \$349,032.07**

Section 9(2)(a) Privacy of natural persons

Investigator
National Fraud Investigation Unit
Ministry of Social Development

23 August 2013

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APPENDIX 2



MINISTRY OF
SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

memo

To: Section 9(2)(a) Privacy of natural persons

From:

Date: 6 September 2013

Security level: IN CONFIDENCE

This memo may contain legal advice and be legally privileged. It should not be disclosed on an information request, without further legal advice.

Nabjeet & Pardeep Singh

Section 9(2)(h) Legal professional privilege

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Section 9(2)(h) Legal professional privilege

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APPENDIX 3

Process of extradition

1. Obtain Warrant for Arrest (WTA)
2. Prepare Affidavit
 - Includes details of offending
 - Identification of offender
 - Certified copies of relevant legislation
3. Forward draft to Interpol liaison for checking (Police and IR will assist us also)
As this an extradition under Part 4 of the Extradition Act, pursuant to Section 61 we need to get the Police Commissioners, or his delegates, authority to extradite (statutory requirement). This is simply a letter on our letterhead requesting the Commissioners authority, with a copy of the summary of facts of the case. The letter can be addressed to D/Sgt Rudd, who will arrange for the authority to be granted.
4. Swear, copy and bind affidavits
5. Prepare covering report addressed to Interpol to be given to Australian Federal Police (AFP) - (Police will assist with preparations)

Once in Australia

6. File sent to AFP. The Australian Commonwealth Director of Public Prosecutions will represent NZ
7. DPP presents documents to Australia Judge for endorsement of the NZ WTA giving AFP the power to arrest
8. AFP locate and arrest client
9. Client is normally remanded in custody to appear before Magistrate.
10. Consent
If client consents to extradition client is committed to prison and travels to NZ on the first available flight. Must have passport and is normally escorted by NZ Police (at our cost) Interpol conduct risk assessment to determine requirements for escort.
11. No consent
DPP conduct surrender hearing. NZ Police would be contacted to discuss any defence raised. Evidence may be required either by affidavit or by testimony.
12. If application successful then the client has 15 days to seek review. Client cannot be escorted back to NZ until 15 days review period has elapsed or any reviews concluded.
13. Interpol will arrange with NZ Police for client to travel back to NZ and once in NZ will enter the normal criminal prosecution process.



memo

To: Wendy Venter, DCE, Integrity Services
From: Kate Wareham, General Manager, Integrity Services
Date: 4 August 2014
Security level: IN CONFIDENCE

Nabjeet Singh Internal Fraud - Post Investigation Action

Action: For Noting

Purpose

1. The purpose of this memo is to provide information on the identified risks and actions taken following the internal fraud investigation into Nabjeet Singh.
2. If Nabjeet were to ultimately face criminal charges in New Zealand, the Ministry may receive media enquiries requesting information about how the fraud was carried out, why the Ministry didn't detect it earlier and what the Ministry has done since to improve its internal fraud detection.

Background

3. Former Ministry staff members, Nabjeet Singh and his wife Pardeep are suspected of being responsible for a protracted and complex internal fraud resulting in a loss to the Ministry of \$349,032.07
4. Nabjeet was employed by the Ministry initially as a Case Manager and subsequently became a Fraud Investigator. Pardeep was employed as an Integrity Intervention Officer.
5. The fraud involved the creation of four false, non-New Zealand born identities which were paid benefits between January 1998 and June 2010.
6. There is strong evidence to indicate that Nabjeet Singh abused his position as a staff member to manipulate the Ministry's client records and benefit payment systems. By doing this, he was able to both validate the fictitious client's identities and to commence and continue to make benefit payments to them.

7. The offending was identified following an anonymous allegation that indicated Pardeep and that monies were being paid into a Westpac Bank account belonging to her.
8. Nabjeet and Pardeep both resigned separately from the Ministry as a result of other matters coming to light. [redacted]
[redacted] Out of Scope [redacted]
[redacted] resigned in August 2011. He now lives in Australia.
9. Pardeep was implicated in a fraud matter following an anonymous allegation received by the Ministry in January 2013. The allegation stated that she was receiving assistance from IRD under a fictitious name. Pardeep resigned in March 2013 during employment discussions with the Ministry.
10. This anonymous allegation was the catalyst for the identification of the internal fraud activity, as it that led to the identification of a bank account and the four fictitious identities.
11. Following the Ministry's internal fraud investigation a number of risks were identified. These are detailed later in this paper. A financial analysis was also completed. This indicated a higher level of personal expenditure during the time that fraud was being committed than the combined Ministry salaries of Nabjeet and Pardeep would have allowed.
12. We have established that a property with a rateable value of \$590,000 owned jointly by Nabjeet and Pardeep in Upper Hutt is linked to one of the fictitious identities. We also identified that mortgage payments made towards this property by Nabjeet and Pardeep were made with tainted funds from the proceeds of their criminality perpetrated against the Ministry.
13. Working with the NZ Police Asset Recovery Unit, we have obtained a restraining order against the sale of the Upper Hutt property and are pursuing the loss to the Crown through it's forfeiture and sale.
14. We are also pursuing a joint extradition process with the Police and IR to bring Nabjeet back from Australia to face criminal charges

Media Risks

15. If Nabjeet were to ultimately face criminal charges in New Zealand, the Ministry may receive media enquiries requesting information about how the fraud was carried out, why the Ministry didn't detect it earlier and what the Ministry has done since to improve it's internal fraud detection.
16. To follow are the key facts that should help to address these enquiries. They explain the way in which the fraud was committed and how difficult it was to detect using existing tools. Also included are some of the actions taken to improve controls in areas that were exploited by Nabjeet and how the Ministry will be able to detect this type of fraud in the future.

Modus Operandi

17. The way in which Nabjeet committed this fraud made it very difficult to detect. Our investigation has identified high levels of concealment, obstruction, pre-meditation and planning on Nabjeet's behalf. He has clearly used his knowledge of Ministry systems and processes to hide his offending over a long period of time.

18. Section 6(c) Maintenance of the law

19. The Ministry uses the Identity Verification Match (IVM) to validate the records of New Zealand born clients with Births, Deaths and Marriages.

Section 6(c) Maintenance of the law

20. In this instance, Nabieet circumvented this control by Section 6(c) Maintenance of the law

21. The Ministry's internal fraud detection tools that were available at the time would not have been able to detect this type of fraud. It is likely that the only way the fraud would have been uncovered would have been through an anonymous tip off.

System Processing

22. Nabjeet was able to commit fraud as a result of a past weakness in the Ministry's internal transfer and recruitment process. Prior to joining Integrity Services he had been employed by the Ministry as a Case Manager with full accessing and processing rights in Ministry systems.

23. Upon transferring to Integrity Services his level of access was not adjusted to suit his new role. He exploited this and continued to grant and process financial assistance for the fake identities he had created.

24. We have since conducted a full review of access and processing levels for all NFIU staff. No internal fraud was detected and no staff were found to have undertaken any non-business related processing actions.

25. We have strengthened this vulnerability by setting up a default profile with IT so that anyone who now transfers into an Investigator role automatically loses any previous, higher level accessing or processing rights.

Fraud Detection Using Data Analytics

26. As part of the Internal Fraud Unit's recently signed off (Security and Integrity Committee May 2014) work programme, we are developing a multi-dimensional, behavioural data mining tool to provide a stronger, cross-Ministry intelligence-led approach to internal fraud risk.

27. This tool, once developed, will replace the Ministry's current data mining programmes. The standard method of data mining assesses one risk at a time. In this sense, internal fraud can be difficult to detect as one individual transaction, when looked at in isolation is not always noticeably anomalous or suspicious.

28. The data analytics tool looks more holistically at data from a range of systems and system activities to find risk. It is designed to identify suspicious transactions or behavioural patterns across a wider range of Ministry systems than are currently routinely data mined. These include KEA, CYRAS, CHRIS, SAL etc.

29. It is designed to compare electronic interactions between entities and determine what is normal and what is unusual.

30. Section 6(c) Maintenance of the law

Section 6(c) Maintenance of the law

31. The tool is designed to 'learn' from its data mining output. The results need to be 'fed' back into the tool in order for it to learn the most accurate indication of internal fraud risk to the Ministry. The intention is to continually develop and / or modify the information that is fed back to the tool in order for it to achieve the best outcomes.
32. The data analytics tool will be able to detect this complex type of internal fraud in two different ways. Section 6(c) Maintenance of the law

Staff resignations

33. Both Nabjeet and Pardeep resigned, with immediate effect whilst under investigation by the Ministry.
34. They are in a small minority of cases recently identified whereby a staff member had resigned rather than be subject to dismissal in line with the Ministry's Zero Tolerance policy.
35. We have reviewed how these matters must now be more robustly managed to ensure that staff that are being investigated for internal fraud are not able to circumvent the Zero Tolerance policy by forcing through their resignation.
36. A new process has been agreed between the Internal fraud Unit and Human Resources to minimise any risk to the Ministry whilst allowing the investigation to obtain evidence that will provide an early indication on whether the Zero Tolerance policy may have been breached.

Zero Tolerance

37. The Ministry has a Zero Tolerance policy covering a number of areas of offending including where current staff are found to have committed benefit fraud. In every case where a staff member is caught doing any of these things, the staff member will be dismissed and the matter will be referred to the Police for prosecution.
38. Throughout the lifetime of offending uncovered, Nabjeet was employed as a Ministry staff member. It is therefore important that Nabjeet is brought back to face charges in New Zealand in accordance not only with natural justice but also to comply with the Ministry's Zero Tolerance Policy.
39. If this case is ultimately prosecuted it is likely to be reported in the media. Ministry staff will also be interested in the matter.
40. A strong Zero Tolerance message to both the media and staff will reinforce and demonstrate the Ministry's determination to pursue and prosecute all staff (even those who leave New Zealand) who are responsible for internal fraud.

Timeline

41. Because the Police led Asset Recovery and the Extradition processes are different, here are two separate timelines that apply.
42. The restraining order for the Asset Recovery process was served on Pardeep (in Nabjeet's absence) on 6 August 2014. Police advise that the earliest this matter will

be resolved is by February 2015. If the Singh's challenge the order, a further six months is likely to be needed in order to bring the matter to a conclusion.

43. The Extradition process is faster, due to the nature of the Police to Police relationship that exists between New Zealand and Australia. Once the Court has made the order that Nabeet can be extradited from Australia, he will be offered the opportunity to return voluntarily.

44. If we were to apply today, and Nabeet returned of his own accord to New Zealand, he could face charges here in approximately two/three months' time. If he fought the extradition in Australia, it would require an extra two months to bring the extradition process to a conclusion.

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