



23 JUN 2021

Tēnā koe

On 25 May 2021, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *I would like to request the following fraud data for the years 2017/18 - 2020/21:*
  - *Allegation line calls answered*
  - *Public allegations recorded*
  - *Investigations completed*
  - *Number of overpayments established*
  - *Value of overpayments established*
  - *Number of investigations completed with relationship line of enquiry*
  - *Prosecutions completed*
  - *Successful prosecutions*
  - *Total value of overpayments from successful prosecutions*

The Ministry works hard to protect the integrity of the welfare system to ensure it remains fair for all New Zealanders, which can include prosecution where clear evidence of fraud exists.

Potential fraud may be identified from public allegations, information sharing with other agencies, staff referrals or from our Intelligence Unit. When a case is received, the information is assessed based on the level of evidence available to substantiate the level of fraud and risk posed. Based on the assessment, some cases will not be followed up, for example, because there is insufficient information to warrant further action.

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.

This is in line with the Ministry's increased focus on fraud prevention, which has been endorsed by the Welfare Expert Advisory Group.

From 2018, the Ministry introduced a three-tier graduated model to respond to allegations of benefit fraud:

- early intervention – a light touch response to discuss any integrity issues raised, confirm obligations, and adjust entitlements where appropriate.

- 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.
- 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.

Overall, the number of cases responded to across the Ministry's three-tier model has remained stable over the last five years. A greater proportion, however, are now responded to without investigation or prosecution.

Over the 2019/20 and 2020/21 financial years, investigation and prosecution numbers have been impacted by responding to the Privacy Commissioner's inquiry, which meant pausing and reassessing investigations and prosecutions underway in light of the inquiry's findings, and by the need to support the COVID-19 response, which includes Wage Subsidy investigations.

As requested, please find **Table One** attached in the **Appendix** below:

- **Table One:** Number of allegation line calls answered, public allegations recorded, cases completed, overpayments established, value of overpayments established, cases completed with relationship line of enquiry, prosecutions completed, successful prosecutions completed and the total value of overpayments from successful prosecutions for financial years 2017/18 to 2020/21.

Please note that as 2021 is not a complete financial year, the information provided is as at 31 March 2021.

You will note that the number of prosecutions taken has reduced over recent years. This has been influenced by the increased focus on prevention and early detection as outlined by the three-tier approach described above, as well in 2020 and 2021 due to the Ministry's focus on responding to COVID-19.

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. 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).

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If you are not satisfied with this response regarding fraud data, 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.

Ngā mihi nui

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

George Van Ooyen  
**Group General Manager**  
**Client Service Support**

## Appendix

**Table One: Number of allegation line calls answered, public allegations recorded, cases completed, overpayments established, value of overpayments established, cases completed with relationship line of enquiry, prosecutions completed, successful prosecutions completed and the total value of overpayments from successful prosecutions for financial years 2017/18 to 2020/21.**

| <b>Item</b>  | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>2020/21<br/>(as at 31<br/>March<br/>2021)</b> |
|--|----------------|----------------|----------------|--|
| <b>Allegation line calls answered</b>  | 12,578         | 11,356         | 10,898         | 7,767  |
| <b>Public allegations recorded</b>   | 9,210          | 8,500          | 7,836          | 5,564  |
| <b>Number of Early Intervention cases completed</b>  | -              | 1,826          | 2,371          | 783  |
| <b>Number of Facilitation cases completed</b>  | -              | 1,334          | 1,253          | 918  |
| <b>Number of Investigation cases completed</b>   | 4,755          | 1,761          | 1,090          | 313  |
| <b>Number of overpayments established (Early Intervention, Facilitation and Investigation)</b> | 1,664          | 1,104          | 435            | 92   |
| <b>Value of overpayments established</b>   | \$35.8m        | \$25.8m        | \$12.3m        | \$2.6m   |
| <b>Number of cases completed with relationship line of enquiry</b>                             | 3,094          | 3,165          | 2,002          | 1,165  |
| <b>Prosecutions completed</b>  | 291            | 127            | 65             | 44   |
| <b>Successful prosecutions</b>   | 277            | 121            | 64             | 40   |
| <b>Total value of overpayments from successful prosecutions</b>                                | \$13.9m        | \$8.4m         | \$3.7m         | \$2.8m   |

**Notes:**

- Please note that the 2021 year is not a complete financial year. The figure is as at 31 March 2021.

- Internal Fraud cases were excluded from F2018 onwards.
- Investigation cases may have more than one line of enquiry.
- Overpayments established indicates that an action was taken. However, there is an unknown number of cases where the benefit may have been adjusted but no overpayment established.
- When an investigation is completed and an overpayment established, this does not mean that the client has committed fraud. There are situations where an overpayment can occur with no fraud.
- This data is a count of investigations completed, not a count of people. A person may have more than one investigation in a period and an investigation may involve multiple people.
- Investigations completed do not directly relate to allegations received and investigations may not be completed in the year that the allegation is received.