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Appendix 2

Counter Fraud & Investigation



See it. Report it. Stop it.



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Counter Fraud Strategy

2020/21

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See it.



Report it.



Stop it.

Foreword

“The country has been affected by the significant impact of the COVID-19 pandemic with significant loss of life and continuing damage to the economy, with many businesses closing and workers moved from their workplaces to their homes.

Sadly, criminals didn’t stop working, with many increasing their persistent attacks on the public sector support schemes and the most vulnerable in society, particularly those shielding from the virus.

This year, as we begin to recover from the emergency, our focus will be targeting those criminals in an unprecedented co-ordinated response by the council’s Counter Fraud function joining forces across government and policing.”

David Kleinberg,
Assistant Director for Counter Fraud,
Investigations & Enforcement



Our Control Strategy

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This year we install our control strategy which defines how we will be working over the next 12 months. This means that all the casework we adopt will be assessed and progressed in consideration of the 4 Questions below.

The Counter Fraud & Investigation team's partnership with the National Investigation Service ensures that we are able to identify at an earlier stage intelligence relating to the key priorities below, particularly those affecting the most vulnerable of society.



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Proactive Work Plan

Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
Council-wide	<p>Application of Counter Fraud Risk Analytics across the council's 10 threat areas.</p> <p>This work will commence with sampling exercises, fraud loss measurement programmes and testing of analytic tools across those high-risk areas.</p>	June 2022 To May 2021		Michael Dineen	
Council-wide	<p>Install improved Anti-Money Laundering (AML) controls at all of the council's Customer Contact Points.</p> <p>Fraud, Bribery, Corruption and Money Laundering are intrinsically linked by a common theme – persons and businesses being compromised by crime. That may be intentional or unintentional (e.g. stolen identities (unintentional) or fictitious businesses (intentional))</p>	June 2022 To May 2021		David Kleinberg	
Revenues & Treasury	<p>COVID-19 Business Grants Counter Fraud Programme</p> <p>The council has awarded £19m of government grants to businesses during the COVID-19 pandemic. The team will be using the Counter Fraud tools provided by the Cabinet Office and commercial sector to</p>	June 2022 To May 2021		Dave Nash	



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Risk Area	Activity	When	Current Status	Responsible Officer	Date Complete
	assure the payment already made and prevent future frauds.				
Council-wide	Renewed Education & Marketing Campaign for Countering Fraud, Bribery, Corruption and Money Laundering	July 2020		Nicholas Coker	

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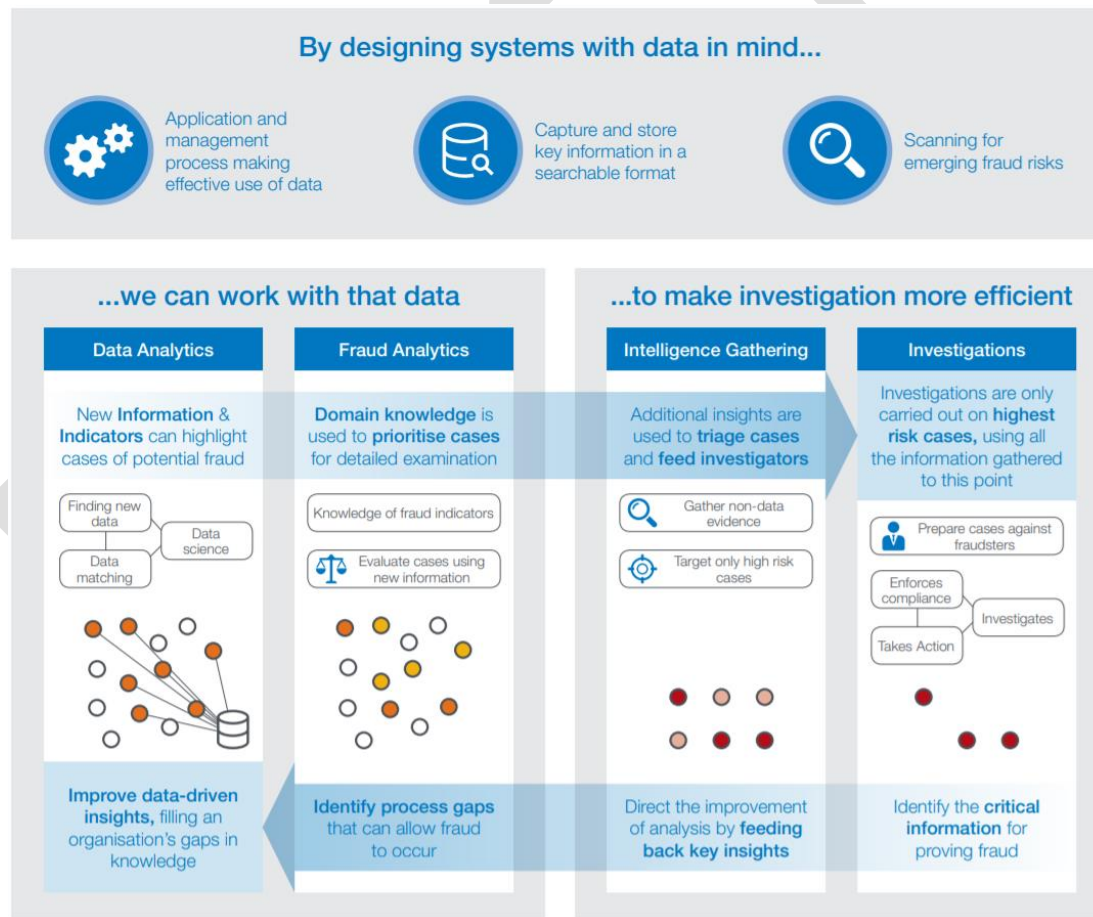
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Official 2020/21 Strategy Components

Counter Fraud Analytics

The key focus of any counter fraud function should be preventing fraud and “stopping it at the door.” The council has been working with the HM Government Counter Fraud Profession in designing and testing many of the standards in the profession. This year the council will be applying the Counter Fraud Data Analytics model (shown below) to both prevent fraud and root it out our systems.

Counter Fraud Analytics Model

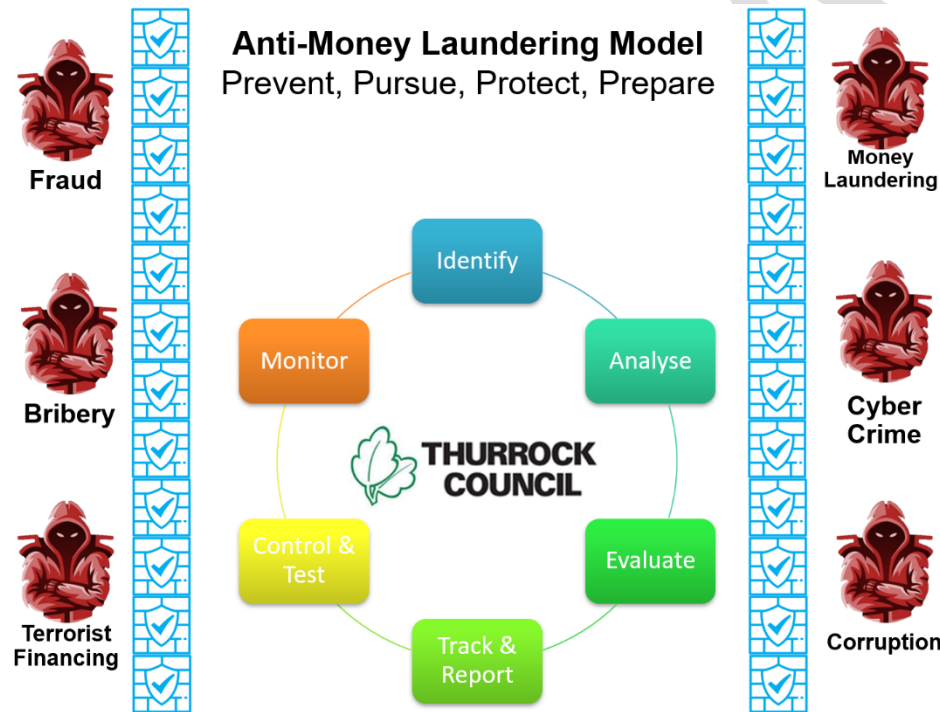


Anti-Money Laundering (AML) Controls

The crimes of Fraud, Bribery, Corruption and Money Laundering are intrinsically linked by a common theme – a requirement to compromise a person or business as an ‘enabler’ to further crime. The initial compromise may be intentional or unintentional (e.g. Stolen Identifies (unintentional) or a fictitious business being formed to commit crime (intentional)).

Finding those compromises are extremely difficult in large organisations like the council with the creation of millions of transactional records a day. The implementation of automation and intelligence-led processing of transactions to find the risk of fraud and other economic crime requires a scored weighting of the customers you have applying to, or already in your systems.

This year the Counter Fraud cyber team and system leads across the council will be applying those controls at all our customer contact points, e.g. Housing, Council Tax, NNDR, Social Care, Licensing. The purpose will be to both prevent fraud and financial crime against the council but also where someone attempts to use a stolen identify causing losses to businesses or the public.



The council’s new model will ensure that the right enhanced controls are placed over our existing access points – which take place before any further transactions will occur.

This method ensures the flags developed through cross-government intelligence sharing are applied to patterns of behaviours used to compromise a relationship with the council.