



- 2 MAR 2020

Alley

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Dear Alley

On 6 November 2019, you contacted the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982, the following information:

- *As the government has signalled a future change to the Ministry's rules pertaining to undeclared relationships and plans to drop having to declare relationships. How many people were prosecuted by the Ministry in 2019 for benefit fraud by not declaring partners?*
- *Will the Ministry still actively investigate people or has the Ministry changed policies concerning this matter?*

The Ministry works hard to protect the integrity of the welfare system to ensure it remains fair for all New Zealanders. It is vital that the public has trust and confidence in the Ministry to ensure people receive their correct entitlement and do not take advantage of the welfare system.

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 this assessment some cases will not be followed up, for example, because there is insufficient information to warrant further action.

A person's relationship status can be relevant to the benefit or rate of benefit they have entitlement to. Clients are required to tell the Ministry when their personal circumstances change and this change could impact on entitlement to the benefit they receive. Where someone deliberately chooses not to tell the Ministry or lies to the Ministry about a relationship in order to receive money, they would not otherwise be entitled to, this would be fraud.

The Ministry is increasing its focus on fraud prevention and early intervention activities. For example, fraud investigators are working more closely with front line staff to assist them to have good conversations with clients. This ensures the client understands their obligations to tell Work and Income early about any changing circumstances as this could affect their benefit entitlement. We want to make it easier for clients to tell us about changes and also harder for clients to get it wrong and end up in debt to us.

This increasing focus on fraud prevention is illustrated by the Ministry's three tier approach implemented across our fraud teams.

The three-tier approach helps the Ministry better manage fraud activity. All allegations of potential fraud or abuse of benefit payments are responded to in a manner proportionate to the nature of the information received and the potential seriousness of offending.

Tier One – Early Intervention – Making it easier for clients to do the right thing

Tier One is about ensuring clients know of the information the Ministry has received about them and about their entitlements and obligations and letting them make a decision about their entitlement to a benefit payment. This involves a letter and/or phone conversation with the client. The Ministry’s aim is to identify the correct entitlement going forward, rather than establishing an overpayment.

Tier Two – Facilitation – Providing clients with an opportunity to do the right thing

Tier Two is about working with the client to help them do the right thing. It’s about having a more in-depth, face to face conversation with a client about their situation, entitlements and obligations so the client can self-assess whether they are receiving their correct entitlements. Again, the Ministry’s aim is to identify the correct entitlement going forward, rather than establishing an overpayment.

Tier Three – Investigation – Protecting the integrity of the benefit system

Tier Three is about undertaking an investigation into a client’s entitlement where the Ministry believes they may be committing fraud. The outcome in these cases could be an overpayment, the imposition of a penalty, or in the most severe cases, prosecution.

Below is Table One which provides the number of prosecutions for benefit fraud for the financial year ending 30 June 2019, where a line of inquiry was for marriage type relationship.

Table One: Prosecutions for benefit fraud for the financial year ending 30 June 2019, where there was a marriage type relationship line of inquiry

Line of Inquiry Group	Number of Prosecutions
Marriage Type Relationship	87

Notes:

- A prosecution may involve more than one line of inquiry.
- Although there was a relationship line of inquiry investigated, the prosecution may not necessarily relate to this line of inquiry.
- A line of inquiry can change over time.

As part of the Confidence and Supply Agreement between the New Zealand Labour Party and the Green Party of Aotearoa New Zealand, the current Government has made the commitment to overhaul the welfare system. This overhaul may reassess the Ministry’s definition of a relationship in the long term, however, there have been no changes in the meantime. The Ministry is therefore still actively investigating cases of potential false relationship declarations.

More information on the Ministry's definition of relationships can be found on the following web-link: www.workandincome.govt.nz/on-a-benefit/tell-us/are-you-in-a-relationship.html#null.

You may also be interested to know that the Ministry recently published a Cabinet paper regarding key priorities and updates on the Welfare Overhaul. This Cabinet paper is available on the following web-link: msd.govt.nz/about-msd-and-our-work/publications-resources/information-releases/welfare-overhaul-update-on-progress-and-long-term-plan.html.

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 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 regarding prosecutions for benefit fraud, 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 blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

George Van Ooyen
Group General Manager, Client Service Delivery