

Mr R. Gavey fyi-request-13705-54305554@requests.fyi.org.nz

16 NOV 2020

Dear Mr R. Gavey

On 7 September 2020, you emailed the Ministry of Social Development (the Ministry) requesting the following under the Official Information Act 1982:

- Data on the Ministry of Social Development's benefit fraud investigations and prosecutions where a line of enquiry was relationship status (or "marriage type relationship" fraud). I would like the following information, in relation to all of these questions, if it is not possible to provide data for the period between 2000-2020, any available data would be sufficient. More specifically, I would like the following information:
- 1. Number of people receiving the Sole Parent Support payments, broken down by year (since it was first introduced to 2020), gender, and ethnicity.
- 2. Number of allegations of benefit fraud received by the Ministry of Social Development broken down by line of enquiry and year, from 2000 to 2020.
- 3. What are the channels through which the Ministry receives these allegations?
- 4. Number of investigations completed by the Ministry of Social Development broken down by line of enquiry and year, from 2000 to 2020.
- 5. Number of investigations completed where a line of enquiry was relationship status (or marriage type relationship fraud) from 2000 to 2020, broken down by year, gender, and ethnicity.
- 6. Percentage of debts established out of the number of investigations completed broken down by line of enquiry and year, from 2000 to 2020.
- 7. Number of prosecutions where a line of investigation was relationship status (or marriage type relationship fraud) from 2000 to 2020. Including the total number of attempted prosecutions and the total number of successful prosecutions broken down by year, gender, and ethnicity.
- 8. Overpayment value established from successful prosecutions broken down by line of enquiry and year from 2000 to 2020.
- 9. Overpayment value established from successful prosecutions where a line of enquiry was relationship status (or marriage type relationship fraud) from 2000 to 2020, broken down by financial year, gender and ethnicity.
- 10. Number of people in prison for benefit fraud where a line of investigation was relationship status (or marriage type relationship fraud) from 2000 to 2020, broken down by year, gender, ethnicity, and length of sentence.

In relation to all of these questions, if it is not possible to provide data for the period between 2000-2020, any available data would be sufficient.

On 5 October 2020, the Ministry informed you that further consultations were required in order to answer your request. Your request was extended to 6 November 2020.

The Ministry takes its responsibilities very seriously in the administration of public 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 specialist fraud investigators throughout the country, and an Intelligence Unit that identifies any 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.

At the same time, National Fraud Teams and the Integrity Intervention Centre are increasing their focus on fraud prevention and early intervention activities. For example, fraud investigators are working more closely with front line staff in order to enable them to have more robust conversations with clients. This ensures that clients understand their obligations to tell Work and Income early about their changing circumstances, as this could affect their benefit entitlement.

When an allegation of fraud 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.

Many cases will not result in an investigation but instead we will contact the client to check with them that we understand their circumstances and have their entitlement correct. The Ministry wants to ensure that it provides clients with information that helps them understand what help they can receive and in turn encourage people to tell us when their situation changes.

Where the information provided by the alleger is more detailed and substantial the case will be referred to a fraud team for investigation. A further assessment is then completed by the fraud team to determine what, if any, action they will take.

For the sake of clarity, I will detail and address each of your questions in turn. The data tables that are provided to you in response to individual questions have been compiled in Appendix One.

Please note that all data is provided by financial year, from 2013/2014 through to 2018/2019. The Ministry cannot provide information from before the 2013/2014 financial year as the Ministry changed databases at that time. In order to provide data before 2013, the Ministry would have to undertake multiple searches for information, and then cross check any results for consistency and accuracy. The provision of this data would constitute as substantial collation and research.

Information for the financial year 2019/2020 cannot be provided as the Ministry has not yet compiled and processed the data from that financial year. The data is expected to be compiled in the near future. A further request for this information can be submitted by contacting the Ministry at OIA Requests@msd@govt.nz.

1. Number of people receiving the Sole Parent Support payments, broken down by year (since it was first introduced to 2020), gender, and ethnicity.

**Table One:** The number of current working age Sole Parents Support clients, broken down by financial year and ethnicity.

**Table Two:** The number of current working age Sole Parent Support clients, broken down by financial year and gender.

2. Number of allegations of benefit fraud received by the Ministry of Social Development broken down by line of enquiry and year, from 2000 to 2020.

The majority of allegations received by the Ministry are anonymous. Many allegations are not investigated due to incorrect or a lack of information. Additionally, more than one allegation may relate to the same person.

**Table Three:** The number of allegations of benefit fraud, broken down by origin of the accusation and financial year.

3. What are the channels through which the Ministry receives these allegations?

The Ministry receives allegations from members of the public via Ministry phone lines, emails or written letters, by persons using the fraud section of the Ministry website, or in some cases the allegations are received in person.

4. Number of investigations completed by the Ministry of Social Development broken down by line of enquiry and year, from 2000 to 2020.

**Table Four:** The number of investigations completed by the Ministry, broken down by financial year and line of enquiry.

5. Number of investigations completed where a line of enquiry was relationship status (or marriage type relationship fraud) from 2000 to 2020, broken down by year, gender, and ethnicity.

**Table Five:** The number of investigations completed where a line of enquiry was relationship status, broken down by financial year, gender and ethnicity.

6. Percentage of debts established out of the number of investigations completed broken down by line of enquiry and year, from 2000 to 2020.

**Table Six:** The percentage of debts established out of the number of investigations completed, broken down by financial year and line of enquiry.

7. Number of prosecutions where a line of investigation was relationship status (or marriage type relationship fraud) from 2000 to 2020. Including the total number of attempted prosecutions and the total number of successful prosecutions broken down by year, gender, and ethnicity.

The Ministry operates a range of detection activities to minimise and mitigate fraud and to protect the integrity of the welfare system.

The Ministry has a three-tiered operating model, with a focus on early intervention and facilitation approaches for clients alleged to be committing fraud. These approaches focus on engaging with clients early to get their entitlement corrected. We still investigate cases of serious fraud.

When considering prosecution, the Ministry uses the Solicitor-General's Prosecution Guidelines as the main reference point when making a decision on that prosecution. As a government agency, any criminal prosecution action brought by the Ministry must be in accordance with the 'Test for Prosecution' set out in the Guidelines.

There are two factors to the 'Test for Prosecution'; a case must meet the requirements of the 'Evidential Test' where the evidence gathered must be sufficient to provide a realistic prospect of gaining a conviction; and if the case meets the 'Evidential Test' requirements, the Ministry applies the 'Public Interest Test' to determine if it is in the public interest to prosecute.

While it will always be appropriate to prosecute some people due to the nature of their offending, the Ministry is conscious that prosecution can negatively impact clients and families who are already in a vulnerable and difficult situation. It is important that the Ministry makes considered and sound decisions on which cases should be prosecuted.

The decision to prosecute is often a complex one. The Ministry must balance considerations of a client's alleged dishonest actions against their personal circumstances and the effect a prosecution might have on their ability to attain independence and their ability to maintain their health and wellbeing.

The final decision on whether cases are to be prosecuted is made by a Fraud Prosecution Review Panel. The Panel approach to making prosecution decisions strengthens the process by making sure that responsibility for that decision is broadly shared. In addition, cases considered for prosecution by the panel are assessed blindly, without ethnicity being declared to the panel.

You will note that the number of clients prosecuted for fraud has decreased over the time period reported. As improved data matching is picking up more cases of undeclared income earlier, far fewer of these cases are now resulting in prosecution. The Ministry is increasingly focused on only prosecuting the more serious cases of fraud that occurred over longer periods, involved bigger overpayments or because of the nature of the offending.

**Table Seven:** The number of completed prosecutions where a line of investigation was relationship status, by financial year, gender and ethnicity.

**Table Eight:** The number of successful prosecutions where a line of investigation was relationship status, by financial year, gender and ethnicity.

Please note that the Ministry considers a prosecution as 'successful' if there is a at least one sentence given, or if there is no sentence given, but at least one of the court findings constitutes as a section 106 of the Sentencing Act 2002, resulting in a discharge without conviction.

8. Overpayment value established from successful prosecutions broken down by line of enquiry and year from 2000 to 2020.

**Table Nine:** The overpayment value established from successful prosecutions, broken down by financial year and line of enquiry.

9. Overpayment value established from successful prosecutions where a line of enquiry was relationship status (or marriage type relationship fraud) from 2000 to 2020, broken down by financial year, gender and ethnicity.

**Table Ten:** The overpayment value established from successful prosecutions, broken down by line of enquiry and financial year.

10. Number of people in prison for benefit fraud where a line of investigation was relationship status (or marriage type relationship fraud) from 2000 to 2020, broken down by year, gender, ethnicity, and length of sentence.

The Ministry can advise that there were 12 cases of persons imprisoned for benefit fraud in the 2013/2014 financial year where relationship status was a line of investigation. However, as the number of cases in other financial years was lower, the release of that information broken down into ethnicity may potentially lead to individuals being identified. Due to these privacy concerns, the Ministry cannot provide these lower numbers, and they are therefore refused under section 9(2)(a) of the Act, to protect the privacy of natural persons.

Please note that data on the length of sentence is not readily available and therefore cannot be provided. In order to determine which clients received sentences where marriage type relationship fraud was a line of enquiry, the Ministry would have to look through each individual file to determine whether this line of enquiry was included as part of the prosecution case. To locate this information would constitute as substantial collation and research. Therefore, this part of your request is refused under section 18(f) of the Act.

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.

If you are not satisfied with this response regarding data on investigations and prosecutions relating to 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 <a href="https://www.ombudsman.parliament.nz">www.ombudsman.parliament.nz</a> or 0800 802 602.

Yours Sincerely

**Group General Manager** 

**Client Service Support** 

# **Appendix One**

**Table One:** The number of current working age Sole Parents Support clients, broken down by financial year and ethnicity.

Year Ending	Māori	<b>Pacific Peoples</b>	NZ European	Other	Unspecified	Total
2013/2014	34,314	7,231	25,172	6,267	1,043	74,027
2014/2015	32,518	6,694	22,828	6,247	953	69,240
2015/2016	31,040	7,020	19,753	6,538	1,071	65,422
2016/2017	28,849	6,459	18,083	6,058	1,182	60,631
2017/2018	27,947	6,261	17,141	5,937	1,272	58,558
2018/2019	28,204	6,411	17,011	6,062	1,575	59,263
2019/2020	30,044	7,146	18,131	6,749	1,959	64,029

**Table Two:** The number of current working age Sole Parent Support clients, broken down by financial year and gender.

Year Ending	Female	Gender Diverse	Male	Total
2013/2014	67,740	N/A	6,287	74,027
2014/2015	63,480	N/A	5,760	69,240
2015/2016	60,100	N/A	5,322	65,422
2016/2017	55,787	N/A	4,844	60,631
2017/2018	53,672	N/A	4,886	58,558
2018/2019	54,148	N/A	5,115	59,263
2019/2020	58,267	6	5,756	64,029

### Notes on Tables one and two:

- Sole Parent Support came into effect on 15 July 2013.
- The table includes working age only (18 to 64 years).
- Ethnicity data is self-identified and multiple ethnicities may be chosen by an individual as fits their preference or self-concept.
- Please note the ethnicity classification that is used to construct this table does not necessarily align with
  the current Statistics New Zealand classification of ethnicity. Ethnicity details recorded by the Ministry
  have been gathered under a varied of classification methods as clients come into contact with the
  Ministry. The ethnicity data may be self-identified based on an individual's preference or self-construct.
- While the Ministry collects multiple ethnicities from clients, we only report a unique form of ethnicity for core benefit data (one ethnic group per person with Māori coming first, Pacific groups second followed by other groups ending with NZ European).
- From 2 December 2019 updated forms and online applications now include three gender options for clients to choose from Male, Female, and Gender Diverse.

**Table Three:** The number of allegations of benefit fraud, broken down by origin of the accusation and financial year.

Allegations Breakdown	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Public Allegations	11,471	8,766	8,224	9,019	8500
File Suspicion	864	330	281	276	150
Total	12,335	9,096	8,505	9,295	8,650

### Notes:

- Public allegations refer to allegations received externally from members of the public. This can be by phone, email, via the Work and Income website, or in person.
- File suspicion refers to cases where Ministry staff initiate an allegation internally. This can be due to the discovery of discrepancies with payments made to a client, or within a client's current records.

**Table Four:** The number of investigations completed by the Ministry, broken down by financial year and line of enquiry.

Line of Enquiry	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Eligibility Criteria	647	935	570	349	364	658
Income Related	357	813	357	204	187	294
Marriage Type Relationship	2,382	2,533	1,584	1,573	1,617	1,413
Multiple Benefits/Identities	59	37	34	23	26	32
Other	1,507	2,475	2,214	1,160	1,065	1,379
Social Housing	122	1,482	1,230	691	737	871
Students	0	S	S	S	S	S
Working	2,518	2,162	2,397	1,574	1,492	1,181
Youth	S	S	10	S	S	S
Total	7,594	10,442	8,399	5,578	5,490	5,837

# Notes:

- In certain circumstances low numbers may potentially lead to individuals being identified. Due to these privacy concerns, numbers for some categories of clients have been suppressed or aggregated.
- Secondary suppression rules have also been applied where required. Suppressed numbers have been replaced by an 'S'.
- · An investigation may involve several Lines of Inquiry

**Table Five:** The number of investigations completed where a line of enquiry was relationship status, broken down by financial year, gender and ethnicity.

<b>Ethnicity</b>	Gender	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Female	797	464	293	434	391	304
Maori	Male	227	449	266	318	330	238
	Total	1024	913	559	752	721	542
	Female	174	94	45	43	48	39
Pacific							
Peoples	Male	61	77	47	34	29	40
	Total	235	171	92	77	77	79
	Female	640	456	296	286	261	266
NZ							
European	Male	225	423	236	215	279	275
0	Total	865	879	532	501	540	541
	Female	15	13	10	16	16	13
Unspecified	Male	23	26	21	20	22	16
•	Unknown	75	365	256	118	128	125
	Total	113	404	287	154	166	154
	Female	117	94	71	47	68	60
Other	Male	28	72	43	42	45	37
	Total	145	166	114	89	113	97
Total		2382	2533	1584	1573	1617	1413

### **Notes:**

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the current Statistics New Zealand classification of ethnicity. Ethnicity details recorded by the Ministry
have been gathered under a varied of classification methods as clients come into contact with the
Ministry. The ethnicity data may be self-identified based on an individual's preference or self-construct.

• While the Ministry collects multiple ethnicities from clients, we only report a unique form of ethnicity for core benefit data (one ethnic group per person with Māori coming first, Pacific groups second followed by other groups ending with NZ European).

**Table Six:** The percentage of debts established out of the number of investigations completed, broken down by financial year and line of enquiry.

Line of Enquiry	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Eligibility Criteria	5%	4%	4%	5%	5%	6%
Income Related	1%	4%	2%	3%	2%	4%
Marriage Type Relationship	13%	16%	12%	20%	21%	18%
Multiple Benefits/Identities	1%	1%	0%	2%	1%	2%
Other	10%	18%	15%	16%	14%	23%
Social Housing	0%	21%	24%	15%	15%	15%
Students	0%	0%	0%	0%	0%	0%
Working	70%	36%	42%	38%	43%	32%
Youth	0%	0%	0%	0%	0%	0%

**Table Seven:** The number of completed prosecutions where a line of investigation was relationship status, by financial year, gender and ethnicity.

Ethnicit:	Candar	Completed prosecutions							
Ethnicity	Gender	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019		
	Female	59	32	34	25	S	S		
Maori	Male	18	12	10	10	S	S		
,	Total	77	44	44	35	26	11		
	Female	S	S	S	S	S	S		
Pacific Peoples	Male	S	S	S	S	S	S		
	Total	19	6	S	S	S	S		
	Female	26	28	24	27	13	S		
NZ European	Male	14	7	9	10	6	S		
	Total	40	35	33	37	19	11		
	Female	0	S	S	0	0	0		
Unspecified	Unknown	0	S	S	0	0	0		
	Total	0	s	S	0	0	0		
	Female	S	S	S	S	S	S		
Other	Male	S	S	S	S	S	S		
	Total	9	7	7	10	s	s		
Total		145	92	93	88	52	25		

**Table Eight:** The number of successful prosecutions where a line of investigation was relationship status, by financial year, gender and ethnicity.

Ethnisia	Gender		Successful prosecutions							
Ethnicity	Gender	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019			
	Female	58	32	33	24	S	S			
Maori	Male	17	12	9	9	S	S			
	Total	75	44	42	33	26	11			
	Female	S	S	S	S	S	S			
Pacific										
Peoples	Male	S	S	S	S	S	S			
	Total	19	6	S	S	S	S			
	Female	26	28	23	27	S	S			
NZ										
European	Male	14	6	9	10	S	S			
	Total	40	34	32	37	18	11			
	Female	0	0	S	0	0	0			
Unspecified	Unknown	0	0	S	0	0	0			
×	Total	0	0	S	0	0	0			
Other	Female	S	S	S	S	S	S			
	Male	S	S	S	S	S	S			
	Total	9	S	7	10	S	S			
Total		143	89	89	86	51	25			

# **Notes for Tables Seven and Eight:**

- In certain circumstances low numbers may potentially lead to individuals being identified. Due to these privacy concerns, numbers for some categories of clients have been suppressed or aggregated.
- Secondary suppression rules have also been applied where required. Suppressed numbers have been replaced by an 'S'.
- Please note the ethnicity classification that is used to construct this table does not necessarily align with the current Statistics New Zealand classification of ethnicity. Ethnicity details recorded by the Ministry have been gathered under a varied of classification methods as clients come into contact with the Ministry. The ethnicity data may be self-identified based on an individual's preference or self-construct.
- While the Ministry collects multiple ethnicities from clients, we only report a unique form of ethnicity for core benefit data (one ethnic group per person with Māori coming first, Pacific groups second followed by other groups ending with NZ European).

**Table Nine:** The overpayment value established from successful prosecutions, broken down by financial year and line of enquiry.

Line of Enquiry	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Eligibility Criteria	\$2,321,593	\$1,061,231	\$1,023,387	\$601,993	\$533,516	\$154,769
Income Related	\$241,075	\$389,833	\$536,242	\$98,416	\$314,036	\$87,387
Marriage Type Relationship	\$7,646,688	\$4,715,408	\$4,775,447	\$3,745,397	\$3,791,822	\$2,440,629
Multiple Benefits/Identities	\$654,877	\$162,939	\$93,917	\$407,770	\$472,261	\$585,153
Other	\$4,345,287	\$4,253,588	\$5,822,348	\$2,428,944	\$2,680,600	\$1,597,587
Social Housing	\$0	\$1,349,753	\$3,505,763	\$5,964,885	\$2,882,984	\$1,605,939
Working	\$15,111,400	\$19,225,566	\$8,280,525	\$5,854,201	\$3,248,886	\$1,915,083
Total	\$30,320,921	\$31,158,318	\$24,037,630	\$19,101,605	\$13,924,106	\$8,386,547

**Table Ten:** The overpayment value established from successful prosecutions relating to benefit fraud where relationship status was a line of enquiry, broken down by line of enquiry and financial year.

Ethnicity	Gender	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
	Female	\$3,732,729	\$2,295,750	\$2,504,954	\$1,343,215	\$2,046,749	\$915,992
Maori	Male	\$380,543	\$380,721	\$222,783	\$221,369	\$161,897	\$261,348
	Total	\$4,113,272	\$2,676,471	\$2,727,737	\$1,564,584	\$2,208,646	\$1,177,340
	Female	\$833,270	\$213,847	\$104,022	\$117,950	\$337,766	\$72,084
Pacific Peoples	Male	\$209,144	\$18,553	\$48,407	\$106,430	\$0	\$0
	Total	\$1,042,414	\$232,400	\$152,429	\$224,381	\$337,766	\$72,084
	Female	\$1,626,684	\$1,457,744	\$1,331,481	\$1,469,514	\$1,015,636	\$952,721
NZ European	Male	\$379,111	\$154,656	\$108,326	\$131,699	\$91,276	\$54,456
	Total	\$2,005,796	\$1,612,400	\$1,439,807	\$1,601,213	\$1,106,912	\$1,007,177
Unspecified	Female	\$0	\$0	\$147,012	\$0	<b>\$</b> 0	\$0
*	Total	\$0	\$0	\$147,012	\$0	\$0	\$0
	Female	\$398,849	\$189,193	\$238,398	\$269,679	\$100,192	\$184,028
Other	Male	\$86,358	\$4,944	\$70,064	\$85,540	\$38,306	\$0
	Total	\$485,207	\$194,137	\$308,462	\$355,220	\$138,498	\$184,028
Total		\$7,646,688	\$4,715,408	\$4,775,447	\$3,745,397	\$3,791,822	\$2,440,629

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  the current Statistics New Zealand classification of ethnicity. Ethnicity details recorded by the Ministry
  have been gathered under a varied of classification methods as clients come into contact with the
  Ministry. The ethnicity data may be self-identified based on an individual's preference or self-construct.
- While the Ministry collects multiple ethnicities from clients, we only report a unique form of ethnicity for core benefit data (one ethnic group per person with Māori coming first, Pacific groups second followed by other groups ending with NZ European).