



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

14 JUL 2021

Sophie

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Tēnā koe Sophie

Thank you for your email dated 10 June 2021 to the Ministry of Justice's Official Information email address asking about the Ministry of Social Development's (the Ministry's) fraud investigation policies and procedures. Your email has been referred to the Ministry for reply.

The Social Security Act 2018 provides New Zealand's legal framework for benefit payments. Applicants must legitimately meet the eligibility criteria in order to be approved a benefit. When payment is approved, and throughout the period of payment, the benefit recipient must meet specific obligations. Generally, obligations will be met by completing and signing periodical declarations of circumstances and/or promptly advising of a change in circumstances that might affect their entitlements. In the main, people are honest in the information they provide us.

The Ministry works hard to protect the integrity of the welfare system to ensure it remains fair for all New Zealanders. We want the public to trust and have confidence in the work we do to ensure people are not taking advantage of the welfare system.

In this regard, the Ministry takes benefit fraud very seriously and has a range of strategies and measures in place for preventing, detecting and reducing incidences of benefit fraud. The Ministry has increased its focus on fraud prevention and early intervention activities. This ensures the client understands their obligations to tell Work and Income early about any change in circumstances.

There is helpful information on Work and Income's website about reporting benefit fraud and the type of information that would be useful for investigations. There is also information about what happens when Work and Income receives information about suspected benefit fraud. You can read more at Work and Income's website here: www.workandincome.govt.nz/about-work-and-income/contact-us/report-suspected-fraud/index.html.

The Ministry has a dedicated team of around 100 specialist fraud investigators located throughout the country, and an Intelligence Unit that identifies emerging fraud risks and trends. The Ministry also works with other government agencies to identify and reduce fraud and investigate cases which are generally the result of allegations from concerned members of the public.

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 (WEAG) which was formed in 2018 to

advise the Government on the future of New Zealand's welfare system. You can read about the WEAG here: www.weag.govt.nz/.

From 2018, the Ministry introduced a three-tier graduated approach 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 clients 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.

This approach, together with improved detection of incorrect benefit payments through increased data matching activity, has contributed to fewer people getting into significant debt or being prosecuted because of fraud.

If you believe that Work and Income has not met its responsibilities in investigating benefit fraud, you can complain to the Ombudsman at: www.ombudsman.parliament.nz/what-ombudsman-can-help/complaints-about-government-agencies/how-make-complaint. The link provides advice about the information and details the Office of the Ombudsman would like when a complaint is made.

Thank you again for writing. I hope this response is of help to you.

Nāku noa, nā



Janet Green
Acting General Manager
Ministerial and Executive Services