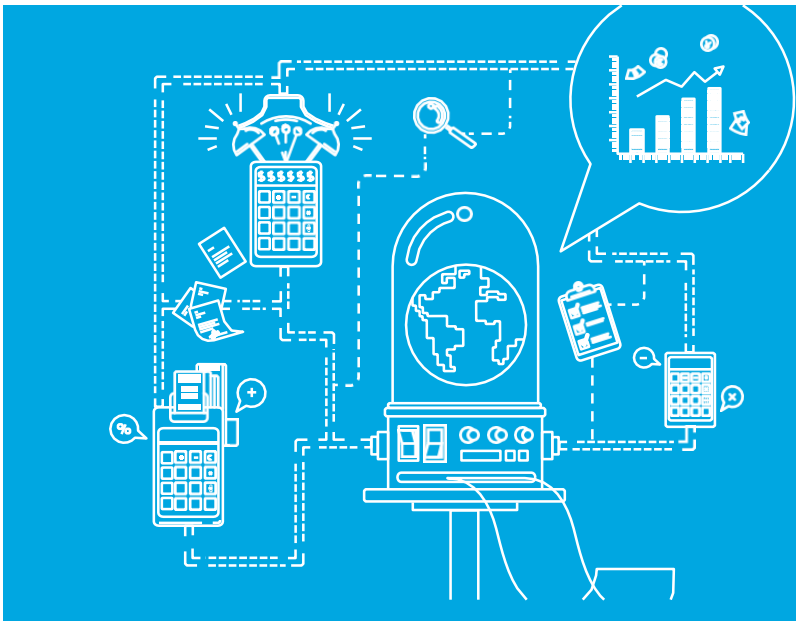
Notice Fraud November 2019

Fraud awareness month



According to latest estimates, fraud, bribery and corruption costs the NHS £1.29bn a year - enough money to pay for over 40,000 staff nurses, or to purchase over 5,000 new ambulances (This is money that is taken away from patient care and falls into the hands of criminals).

In November, we will be running a fraud awareness campaign. This coincides with international fraud week taking place between 17-23 November. You will see various fraud materials during the month, which should encourage you all to have a conversation about fraud and how it can be prevented.

Procurement fraud

Procurement fraud is any fraud relating to an organisation's purchasing of goods, services or commissioning construction projects from third parties. Procurement fraud cost the NHS an estimated £351m each year .. Procurement accounts for a significant amount of NHS spend and activity. For this reason, procurement fraud has been identified as one of the four priority action areas for the NHS Counter Fraud Authority (NHSCFA) in 2019-20.

pre-contract: often enabled by a lack of compliance with policy, but also involving activity such as collusion and corruption.
post-contract: often involves overpayments to contractors, through false or duplicate invoicing, order splitting to circumvent authority limits and financial controls, payments for substandard work or work not completed.

Preventative measures:

- Actively monitor the procurement process. Monitor internal controls ensure and ensure it remains effective. Tenders should be transparent and documented.
- Undertake regular fraud risk assessments and systems audits to identify fraud threats.
- Know your supplier to ensure that suppliers are of reputable standing and highlight related parties within the organisation and any possible conflicts of interest. Ensuring that suppliers have the required capacity to fulfil a contract is important.
- Offers or receipt of gifts or hospitality from the bidders should be declared or refused to maintain impartiality.
- Conflicts of interests should be declared by all members of staff.

The NHSCFA has produced a series of eight fraud prevention quick guides focusing on specific areas relating to procurement fraud to provide information on effective control measures and preventative action.
https://cfa.nhs.uk/fraud-prevention/fraud-guidance#procurementFraudQuickGuides

Jailed managers ordered to pay back £560,000 to NHS after procurement fraud

Three managers (one NHS employee and two contractors) who were imprisoned last year for fraud have been ordered by the courts to pay back over £560,000 to the NHS.

The trio were convicted of fraud and sentenced to 14 years' imprisonment between them, following a fraud investigation. It was found that the lead subject, who was contracted as a project manager by Powys Teaching Health Board (PTHB), awarded building contracts worth £707,946.24 to contractor 'George Morgan Ltd' which he himself owned. He wrote emails and invoices to himself and even falsified quotes from real firms in an attempt to hide his fraud from auditors.

The subject made payments to two others with the money he earned to buy their cooperation. In total, PTHB was defrauded out of £822,236.22. Some of the construction work was later considered to have 'major deficiencies', with the total cost to the health board estimated to rise to in excess of £1.4m, once works have been completed. The three have now been ordered to pay back a combined total of £560,000 within the next three months to the NHS or face an extended sentence.

(Source: NHS CFA, ITV news)

Recent cases

Student nurse claimed £60k in bogus NHS bursaries
A student nurse received £60,000 while studying at three different universities over a decade. The mother-of-three received the money under the NHS student bursary scheme between February 2008 and January 2018.

She initially applied for a bursary while studying nursing where she had claimed she was a single mother who had separated from her husband. She then went on to study at two further Universities where she continued to receive payments. In total, she received more than £110,000 in payments from the NHS. She would have only been entitled to less than half of this had she claimed honestly.
When investigated, she admitted nine offences of fraud by false representation. She received 10-month imprisonment, suspended for 18 months, was additionally ordered to carry out 25 days of rehabilitation activities and 70 hours in unpaid work. She also had to pay £500 towards the prosecution costs.

(Source BBC news)

Current email scams

Email scams, many of which are phishing scams, are becoming increasingly common as fraudsters come up with new ways to try and trick you into clicking on a link or stealing personal information. Below are the current scams you should be aware of.
Remember, if you are in any doubt about the origin of an email, do not open it.

Payment Diversion – Salary Diversion

A payment diversion fraud is currently being targeted at NHS staff. Emails are being sent to staff providing a false incentive such as a pay rise. The emails contain a link to a website which appears to be the same as the NHS ESR login page, but it is in fact, a fake page which may allow the fraudster to collect the staff member's username and password. From here, the fraudster can access the staff member's ESR account and change the bank account details. Should you receive an email of this nature, please do not respond but forward to your Local Counter Fraud Specialist (LCFS).

Supplier bank account change requests

Mandate fraud is more common than you think. It is when fraudsters trick you to change direct debits, standing orders or bank transfer mandates by purporting to be an organisation you make regular payments to. After the account details have been changes, payments will be redirected into the fraudsters bank account.

How to prevent mandate fraud

- Verify all invoices and requests to change bank account details. Ensure the bank account change request is legitimate by contacting the suppliers directly by using the established contact details you have on file.

- Ensure you check bank statements on a regular basis and notify your bank immediately if you discover any suspicious or fraudulent transactions.

Reporting concerns

Don't be embarrassed to report a scam. Fraudsters are cunning and clever; there is no shame in being deceived. By reporting, you will make it more difficult for them to deceive others.
It is easy to report fraud, bribery or corruption affecting the NHS. Contact your Local Counter Fraud Specialist (LCFS) directly or call the national anonymous, 24-hour reporting line on 0800 028 4060 (powered by Crimestoppers). You can also report online, completely confidentially via https://cfa.nhs.uk/reportfraud.
It is the LCFS' role to take every allegation of fraud or bribery seriously and to provide anonymity and confidentiality for anyone who reports a concern. It is recommended that you refer to your organisation's policy on fraud when reporting allegations for further information on how you are protected.

When making a referral please provide as much information as possible, for example:

- the name of the person who you believe has committed the fraud;
- when and where the fraud has taken place;
- how long the fraud has been going on; and
- any details to substantiate your suspicion.

Spot it. Report it. Together we stop it.