



29 September 2022

Shan

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Tēnā koe Shan

On 25 August 2022, you emailed the Ministry of Social Development (the Ministry) requesting, under the Official Information Act 1982 (the Act), the following information:

- *How long is the average time for an investigation to start after the initial report/allegation?*
- *How long does the average investigation take?*
- *How thorough are the investigations?*
- *Are the investigations prioritised in order of when they were reported? If not, how are the prioritised?*
- *Is it possible for to assist in an investigation without being employed under MSD? And if that is not possible, how do I go about applying for a position as an investigator?*

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.

Benefit recipients are obliged to advise the Ministry of any change in circumstances that might affect their entitlement to a benefit. Allegations of benefit and social housing fraud can be made by members of the public, or by Ministry staff undertaking reviews of a client's benefit entitlement, and these are assessed for the appropriate level of response.

Since 2015, the Ministry has been strengthening its fraud prevention focus. This saw the introduction of new non-investigative approaches to responding to lower risk allegations of fraud from 2018, and the establishment of a prosecution panel to support decision making in serious fraud cases where prosecution is recommended.

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. The Ministry's Client Service Integrity group has a three-tier graduated model to respond to allegations of benefit and social housing fraud:

- Early intervention – engaging with clients early to discuss any integrity issues raised, confirm obligations, and adjust entitlements where appropriate.
- Facilitation – working more intensively with a client to assess their situation against their entitlements and adjust these entitlements where necessary. This could mean an overpayment for a client in some situations, and;
- Investigation – gathering information and acting on serious client integrity issues, which could result in an overpayment and, in the most serious, cases prosecution. Prosecutions are considered in line with the Solicitor General's guidelines, taking into account the full circumstances of each individual case.

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.

There will always be cases of serious fraud which will be fully investigated and prosecuted where it is appropriate to do so.

This approach has been endorsed by the Welfare Expert Advisory Group report.

I will answer each of your questions in turn.

- *How long is the average time for an investigation to start after the initial report/allegation?*

Allegations are received by the Ministry online, in person, or by a phone call. When an allegation is received, the information is assessed based on the level and quality of information available to assess the level of fraud risk posed. Based on this assessment, some cases will not be followed up, for example, if the information provided is already known to the Ministry or because there is insufficient information to warrant further action.

Where the information provided by the alleged is more substantial, the case will be referred for investigation. A further assessment is then completed to determine what, if any, action will be taken.

The Ministry is unable to provide you with the average time it takes for an investigation to begin following the receipt of a report/allegation, as this information is not centrally recorded. To provide this, the Ministry would have to manually review thousands of investigation files. As such I am refusing your request under section 18(f) of the Act, on the grounds that it would require substantial manual collation.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

- *How long does the average investigation take?*

Please refer to the table below, showing the average time (in days) for the Ministry to complete a benefit investigation, in the financial years 2020 to 2022.

Financial Year	Number of investigations completed	Average time (days)
2019/2020	1,089	260
2020/2021	654	348
2021/2022	459	431

Notes:

- The time to complete is the date from which a case is created with a fraud activity of 'Investigation' to the date it is closed.
- This data excludes internal fraud.
- The data includes benefit fraud cases with a fraud activity of 'Investigation' and excludes Wage Subsidy related cases.
- A benefit fraud case may involve more than one person.
- A person can be counted more than once during the reporting period under different fraud investigations and fraud activity.
- The Ministry's financial year commences on the 1st of July and ends at the 30th of June.
- To protect confidentiality, the Ministry uses processes to make it difficult to identify an individual person or entity from published data. These data tables have had random rounding to base three applied to all cell counts in the table. The impact of applying random rounding is that columns and rows may not add exactly to the given column or row totals. The published counts will never differ by more than two counts.

The length of time an investigation takes is influenced by a range of factors, including: the nature of the fraud, the level of complexity, the number of people involved, the level of information needing to be gathered and the period over which the possible offending may have occurred. Therefore, the length of time for investigations can vary quite substantially.

Over the 2019/20, 2020/21 and 2021/22 financial years, investigation and prosecution numbers have been impacted by responding to the Privacy Commissioner's inquiry, which meant pausing and reassessing investigations and prosecutions underway in light of the inquiry's findings, and/or by the need to support the COVID-19 response, which includes Wage Subsidy investigations.

The Ministry notes that around 1,000 benefit fraud investigations were paused in 2020 to allow a full focus on Wage Subsidy investigations, except where investigations and prosecutions were at critical stages. However, the Ministry continued to follow up benefit fraud allegations through early intervention and facilitation responses, as resources allowed.

Since early 2021, the Ministry has been transitioning staff back to benefit investigations as integrity work and investigations related to the COVID-19 Wage Subsidies are concluded. This includes reassessing those benefit investigations that were paused so that they can be progressed.

- *How thorough are the investigations?*
- *Are the investigations prioritised in order of when they were reported? If not, how are the prioritised?*

Investigations undertaken by the Ministry are guided by standardised investigative processes, including analysing the information received, determining an investigation plan, and gathering information. Investigations will vary depending on the nature and complexity of each case, the number of subjects involved, and the information gathered.

While we would aim to commence an investigation as quickly as possible after information is received, Investigation cases may also be prioritised based on the seriousness of the alleged offending and assigned based on operational capacity.

- *Is it possible for to assist in an investigation without being employed under MSD? And if that is not possible, how do I go about applying for a position as an investigator?*

Investigations are undertaken by trained Ministry investigators. On occasion, the Ministry may collaborate with other government agencies to identify and reduce incidents of fraud or to investigate cases in line with agreed processes.

Roles are posted on the Ministry's website when they become available. You can find available roles at this link: www.jobs.msd.govt.nz/MSD/content/How-to-apply/?locale=en_GB.

If you are concerned that someone you know may be committing benefit fraud, you can report your concerns to the Ministry using the following link: www.workandincome.govt.nz/about-work-and-income/contact-us/report-suspected-fraud/index.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. The Ministry will do this by publishing this letter on the Ministry'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, 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.

Ngā mihi nui
George Van Ooyen



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