

Freedom of Information request 512/2011

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Information request

"I would like to know from April 2006 until 2011 what welfare to work providers have been found to have committed fraud or there have been any financial irregularity. I would like the names of the welfare to work providers how much the fraud was for and on what contract the fraud was i.e. fnd, new deal, pathways, gateway to work etc, also were the police involved in any of the fraud investigations that DWP found."

DWP response

To assist with our response, we have split your request into two distinct parts namely;

- Which Welfare to Work providers have been found to have committed fraud
- Which Welfare to Work providers have had financial irregularities identified.

In addition, the Department has decided that the name of providers is exempt from disclosure. The specific exemption we have applied under the Freedom of Information Act is section 43 (commercial interests; particularly section 43(2) – "would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it)"). The only exception we have made from this exemption is where providers are bankrupt or in liquidation. Two providers fitting this category are detailed separately below.

Fraud By Providers

No Welfare to Work provider organisation has been found to have committed fraud against the Department for Work & Pensions.

We completed 13 investigations between April 2006 and 28th February 2011 where fraud or other wrongdoing was suspected. In none of these cases was fraud by the provider organisation established. However, these investigations identified suspected irregularities by provider employees. Where personnel could be identified as being responsible, a criminal investigation (including involvement by the police) was considered. The tables below reflect estimates of wrongly claimed sums established in the 13 investigations.

When wrongdoing is identified, it is our practice to hold the provider accountable for repayment of any incorrectly claimed sums.

Case	Estimated Value (£)	Contract
Investigation 1	£367,500	Action Team
Investigation 2	£2,464	New Deal
Investigation 3	£68,000	Progress to Work
Investigation 4	£22,843	New Deal
Investigation 5	£2,465	New Deal
Investigation 6	£11,829	New Deal
Investigation 7	£16,524	New Deal
Investigation 8	£146	Employment Zones
Investigation 9	£5,685	New Deal
Investigation 10	£2,517	New Deal
Investigation 11	£9,344	New Deal

The 2 bankrupt or liquidated providers included in the 13 investigations are as follows:

Contractor	Estimated Value (£)	Contract
KCC	£32,935	European Social Fund
Maatwerk	£247,556	New Deal

In 6 of the 13 cases we referred the matter to the police.

Prior to September 2009 before deciding to refer a case to the police we made a judgement on the likelihood of prosecution based on the available evidence. Since September 2009 it has been our policy to refer all cases to the police that identify evidence of fraud or other criminal offences.

Financial Irregularities

Besides fraud, the term financial irregularity could cover a range of issues including genuine mistakes that had been detected and put right either by the provider or the Department with no resulting loss. As such, the Department does not hold information on the totality of any such irregularities.