

# Freedom of Information request 810/2011

Received 15/03/2011

Published 04/04/2011

## Information request

How many allegation of fraud about Flexible New Deal providers or sub-contractors have been received by the DWP's Risk Assurance Division since the deal was conceived? 2001-now

Of these, how many of the allegations were accepted, and how many were rejected?

What is the estimated value of the frauds accepted to have taken place?

## DWP response

Risk Assurance Division (RAD) don't categorise allegations under Flexible New Deal. We can however provide information on the total number of allegations relating to providers and sub-contractors of 'Contracted Employment Provision'. This includes allegations relating to programme provision such as the various New Deal programmes, Employment Zones and Progress to Work. Information is available from April 2006 when improved systems to record the outcomes of investigations were introduced.

Fraud is for the Courts to determine, but when considering allegations against providers, RAD's approach is consistent with the Fraud Act and recognises the key aspects which include 'dishonesty', 'false representation' and an 'intention to make a gain or cause a loss'. In none of the cases investigated was fraud by the provider organisation or a sub-contractor established. However, 13 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. When wrongdoing is identified, it is our practice to hold the provider accountable for repayment of any incorrectly claimed sums. Details of the estimated value of wrongly claimed sums, year by year, are presented below.

*Table 1. Breakdown of Contracted Employment Provision Allegations from 01 April 2006 to 21 March 2011*

Year	Allegations Received	Allegations Accepted	Allegations Rejected <sup>1</sup>	Estimated Value <sup>2</sup> of Wrongly Claimed Sums
2006/07	26	23	3	£0.00
2007/08	38	34	4	£460,807
2008/09	29	14	15	£311,455
2009/10 <sup>1</sup>	23	14	8	£17,546
2010/11 <sup>1</sup>	31	18	14	£0.00
	<b>147</b>	<b>103</b>	<b>44</b>	<b>£789,808</b>

<sup>1</sup> The number of allegations received may not equal the total accepted/rejected in each year as referrals received at the end of one year (pre-31 March) may be accepted/rejected on 1 April or later in the following financial year.

<sup>2</sup> Figures are based on the year cases were concluded, not when the allegation was received.

Each year, the DWP spends around £1bn on externally delivered employment programmes designed to help customers find sustained employment. From April 2006 to January 2011 there have been over 3 million starts onto externally delivered employment programmes and over 700,000 job starts have resulted.