

2.3 Deputy C.F. Labey of Grouville of the Minister for Social Security regarding a recent cash fraud committed by a couple receiving Long Term Incapacity benefit:

Following the Social Security cash fraud recently committed by a couple, could the Minister confirm under what circumstances would a cheque of over £40,000 be issued without more than one person from his department approving it, what action was taken against the responsible person or persons and whether the department was aware the couple had a bank account outside of the Island when agreement was given to give a long-term incapacity benefit?

Deputy I.J. Gorst of St. Clement (The Minister for Social Security):

The department has standard procedures in place to confirm eligibility and accuracy of payments. However, in particular, there are yet further controls in respect of all payments over £1,000. These procedures require a second person - that is a different person to the one authorising the claim - to validate the payment. In this case the person checking the payment failed to identify the error. The States of Jersey has clearly-defined policies for handling employee performance. Actions were taken in respect of this employee. L.T.I.A. (Long Term Incapacity Allowance) is a contributory benefit paid from the Social Security Scheme which means it is not a means-tested benefit, and so claimants are not required to provide proof of income or all bank accounts either in Jersey or outside the Island other than in respect of the account details needed to process the payment.

2.3.1 The Deputy of Grouville:

A supplementary? Has any check been made with the Income Tax Office as to whether the income on the foreign bank account has been declared in Jersey for tax purposes?

Deputy I.J. Gorst:

The answer to that question is I am not aware of any check having been made. The Deputy will be aware that as part of my Business Plan in 2010 it is proposed that Social Security work more closely with the Income Tax Department. We are not certain exactly what information sharing will take place there but they are issues which need to be addressed. I would, however, say that this information is now in the public domain and I suspect that employees of the Income Tax Department, as my employees do, from time to time review cases that they see in the public domain which they may have received information about from simply a newspaper report. While I cannot speak on behalf of the Minister for Treasury and Resources, I suspect that his employees might have seen this information and be checking the income tax declaration of these individuals. Thank you.

2.3.2 Connétable A.S. Crowcroft of St. Helier:

Would the Minister say whether he believes that his department's ability to detect a fraud in income support payments is as good as, worse than or better than the system that was operated by the Parishes when they had responsibility for administering welfare?

Deputy I.J. Gorst:

Of course, I should say this was a question about L.T.I.A. and not income support; they are very different benefits and fraud detection operates in a different way across

those benefits. As the Connétable will be aware, the biggest fraud detection process that we go through in regard to income support is the gatekeeper controls that we have. While that might have been unpopular with some members of the public, that involves analysing source documentation, including bank accounts. I do not think it is for me to say whether the process is improved or not because I am not fully *au fait* with the process that was in place prior to taking office in Social Security.

2.3.3 The Connétable of St. Helier:

Can I ask a supplementary? I am particularly interested to know whether the Minister receives regular reports, as I used to do, about the ability of his department to collect money back from people who have obtained it fraudulently and whether he believes enough measures are in place.

Deputy I.J. Gorst:

Yes, I do receive reports of fraud cases and investigations that are ongoing in my department. Since coming to office I have been pushing for an enhanced risk strategy which we are putting in place. One of the issues is, in this particular instance, it was human error. We had the computer controls in place, we had the processes in place but, unfortunately, sometimes when one has a most unusual payment as this was, the human mind does not expect to pick it up. I understand that in this case when the individual was doing the review, they did pick up other smaller amounts which one might expect to have been picked up but this larger amount was so unexpected that it was not picked up. However, as I have said, disciplinary procedures have taken place in this particular instance.

The Deputy of St. John:

My question has been asked, thank you.

2.3.4 Connétable D.W. Mezbourian of St. Lawrence:

The Minister has referred to human error, what measures has he put in place to ensure that this human error will not happen again?

Deputy I.J. Gorst:

I wish I could live in a world where I could eliminate human error. Unfortunately, it is not possible and I cannot stand here today and say that no members of my department, nor myself, will succumb to human error in the future. It is part of a computer-based process when an amount over a certain threshold is generated by the computer, then it is thrown out of the system, an exemption report, and that requires human intervention. At that point, I and the department can give all the training in the world; they can have 2, 4, 6 eyes looking at it, but inevitably it is impossible to eliminate human error in its entirety. Thank you.

The Bailiff:

I see Deputy Southern next and then Deputy Tadier and then a final question from the Deputy of Grouville.

2.3.5 Deputy G.P. Southern:

Will the Minister not accept that the far larger problem is not one of deliberate fraud on the part of claimants but one of accidental overpayments by the department and this accounts for far more money going into people's pockets incorrectly than does deliberate fraud?

Deputy I.J. Gorst:

I do not want to get into a political argument about the size of fraud. The Deputy uses an emotive word there. He used a word about overpayment which I would not want to say. Unfortunately, the department does not always receive the information in the first instance, other information comes to light which may have resulted in overpayments which need to be re-claimed. Sorry, I have forgotten what the first part of his question was.

2.3.6 Deputy G.P. Southern:

Will the Minister agree to come to the House and explain to Members how many payments are made in error through the department's error rather than fraud?

Deputy I.J. Gorst:

As I said, I do not wish to get into a political argument here. Errors are made, sometimes they are on the part of the department and they are rectified; sometimes they are on the part of the individual that submits the information.

2.3.7 Deputy M. Tadier:

Curiously, the question is also about overpayments and the Minister will be aware that this week in the U.K. there was a ruling that members of the public who have been overpaid with Social Security - or whatever the equivalent benefit is in the U.K. - do not have to pay that money back. What is the policy in Jersey regarding overpayments which Social Security may have made in the past and continues to make?

Deputy I.J. Gorst:

There is a general presumption in that if the overpayment was a result of information which was not forthcoming from the individual then that is claimed back. If it was as the result of a department, then we look more leniently upon that.

The Bailiff:

A final question, the Deputy of Grouville.

2.3.8 The Deputy of Grouville:

Could the Minister confirm when we might expect the destruction of the silo working so that the Income Tax Department, Social Security and, indeed, Education, Sport and Culture can work more closely together for the benefit of the Island and when we could expect a whistle-blowing policy?

Deputy I.J. Gorst:

As I said earlier, the closer working together between my department and Income Tax is part of my 2010 Business Plan, so I hope that that will be in operation during the course of the coming year. With regard to the States-wide whistle-blowing policy, I believe that there is a policy in place but I also believe that ... I seem to have a recollection in the back of my mind, and I could be incorrect here, that the States Employment Board are reviewing that to make sure that it is fit for purpose going forward.