

NOTICE FRAUD

For NHS organisations

July 2021

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NOTICE FRAUD

Welcome to the latest edition of our counter fraud newsletter. We are focusing on current fraud trends across the NHS providing you with some useful insights into current fraud risk areas and details of some recent fraud investigations. Full contact details are provided at the end of this newsletter.

Key fraud related risks you should be aware of.



Phishing emails

If you receive any email which looks suspicious in any way, please report this to your IT department **before** taking any action. Do not open any attachments you are unsure of or click on any links contained within suspicious emails.



Mandate Fraud

This is such a common occurrence currently. Fraudsters will attempt various methods to divert payment for either genuine invoices or create false invoices for work. Please ensure appropriate processes are followed in all instances and if you have any reason for suspicion, please report your concerns and validate all details prior to sending any payments.



Coronavirus Vaccine Fraud

Criminals are using the coronavirus vaccine as a way to target the public by tricking them to hand over cash or financial details. They are sending convincing looking text messages letting people know they are eligible for the vaccine or phoning people directly pretending to be from the NHS, or local pharmacy.

People are warned to be alert to these scams.

The NHS will:

- never ask for payment - the vaccine is free;
- never ask for your bank details;
- never arrive unannounced at your home to administer the vaccine; and
- never ask you to prove your identity by sending copies of personal documents such as your passport.



Essex IT manager pleads guilty to £800,000 NHS fraud following procurement fraud investigation initiated by the local LCFS and then by NHS Counter Fraud Authority (NHS CFA).

A former senior IT manager, for what was Mid Essex Hospital Trust (MEHT), has pleaded guilty to defrauding his employer of in excess of £800,000.

Barry Stannard pleaded guilty to two charges of fraud by false representation and two charges of cheating the public revenue.

As a band 8B Senior Manager, Stannard occupied a senior position. Concerns first arose after the Trust reviewed their National Fraud Initiative (NFI) matches on its payroll and accounts payable records, alongside Companies House records.

Initial enquiries were conducted by RSM, the LCFS provider, and the investigation was then escalated to the national team at NHS CFA.

Stannard had previously submitted a 'nil return' declaration of interests form to the Trust, but the investigation confirmed he was actually the director of a number of companies that had received a large amount of money from the Trust over at least seven years (2012-2019).

No products or services invoiced for by these companies were ever provided to the NHS.

The hundreds of invoices submitted by his own companies to MEHT were all individually for relatively modest amounts – meaning he was authorised to sign them off without further checks. The payments came from MEHT's IT Budget.

Investigations also showed that the VAT registration number used on some invoices belonged to an unrelated company, meaning that HMRC was also being defrauded. The Crown Prosecution Service was thus able to charge Stannard with the two counts of cheating the public revenue, in addition to the two fraud charges relating to the NHS's loss.

The sentence given was five years and four months imprisonment on 30/06/2021.

(Source: NHS CFA)

RECENT CASES

Trust Procurement Officer sentenced to 18 months imprisonment after pleading guilty to fraud by abuse of position.

A former agency hired Procurement Officer spent in excess of £20,000 on two NHS Trust issued corporate credit cards that were under their control.

In September 2019, concerns were raised by the Trust's Finance Department regarding unusual spends on the corporate credit cards in question that showed multiple transactions overseas in hotels, purchases with UK retailers, flights and associated travel bookings.

When managers tried to contact the Procurement Officer, he failed to communicate with the Trust and went absent without leave.

Following an investigation by RSM, the Trust's counter fraud team, it was established that a total of £20,018.69 had been spent across the two cards in the period April 2019 to September 2019. The local counter fraud team conducted enquiries with British Airways, Yotel, Reiss, Burton, Bermuda Immigration Service and multiple hotels and travel companies outside the UK. The case evidence was passed to the Metropolitan Police Service to locate and arrest the Procurement Officer.

Following their arrest in January 2021, the Procurement Officers fingerprints were taken whilst in custody which identified that they had a different identity and a previous conviction for fraud. They had changed their name by deed poll prior to starting their employment at the Trust.

On 13/05/21 the Procurement Officer was sentenced at Woolwich Crown Court and received 18 months imprisonment, compensation of the sum of £2,280 to be paid back to the Trust and £670 prosecution costs.

Band 7 Mental Health Manager arrested by Metropolitan Police Service.

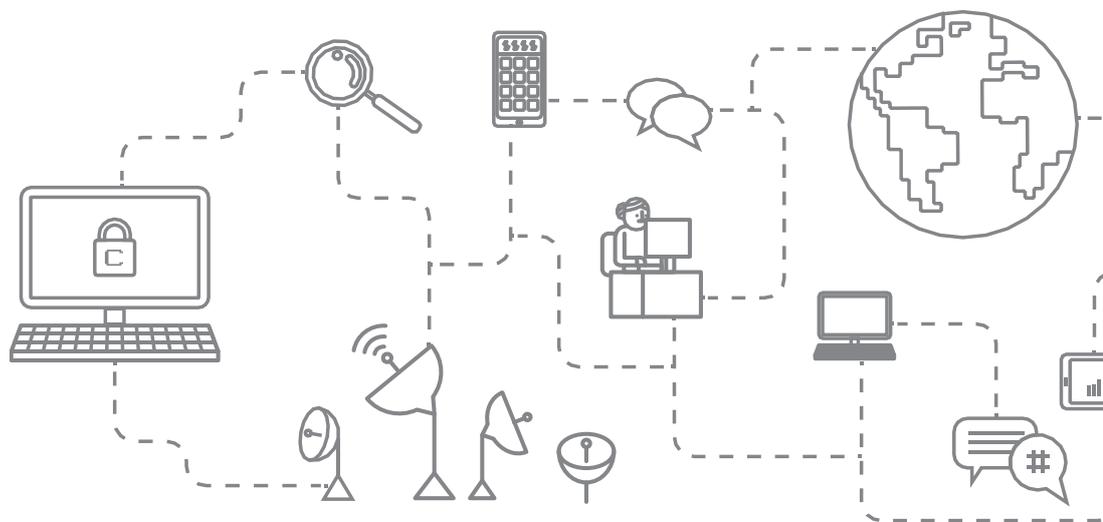
A former NHS Mental Health Manager has been arrested in connection with allegations they secured employment by providing false references and failing to disclose previous convictions for fraud that concerned possession of false identity documents in 2017.

Trust HR flagged concerns to RSM, the local LCFS Team, with a suspicious UK passport which although passed the ID scanner as a valid document did not contain the relevant infra-red information.

Further investigation revealed the email addresses of references sent in support of the Band 7 were not genuine and did not belong to the named organisations. One previous employer was contacted by the Trust who confirmed although the Band 7 had previously worked with them, they had been arrested and convicted for fraud at their Trust in 2017 under a different name. Following a lengthy investigation, it had been established that they had hijacked the identity of another individual, whose name and details they used at that Trust for over 10 years.

The UK passport queried by Trust HR has been proved as a stolen UK passport. Following contact with the Home Office and Her Majesty's Passport Office the Band 7's UK citizenship has been revoked and a decision is pending on deportation from the UK back to Nigeria.

The Metropolitan Police service has arrested the band 7 and a charging decision is pending with the Crown prosecution Service.



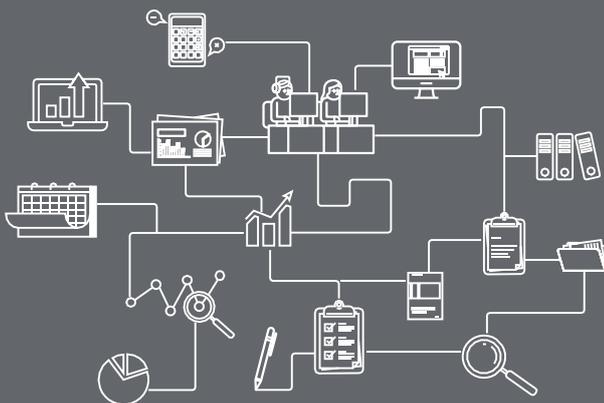
CURRENT TRENDS ACROSS THE NHS

Working whilst off sick remains the most common type of fraud we have seen during quarter one, with 22 per cent of the cases reported to us relating to this risk area. Ensuring adequate processes are in place and are followed correctly is paramount to combatting this fraud. There should be a clear policy in place stating that any secondary employment (any position that an employee has in addition to their position at this organisation) is to be agreed in advance of the position being accepted. This is paramount in advocating transparency and honesty.

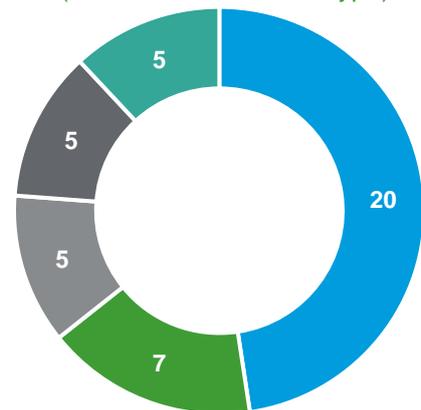
The National Fraud Initiative (NFI) is an exercise which is carried out across various government run organisations designed to help to identify fraudulent issues, one of which being where an individual has more than one employer. All matches are reviewed for individuals who hold more than one position and if such instances cannot be easily verified as genuine and in line with a primary employer's policy requirements, are investigated further, potentially in a criminal capacity.

There were 42 referrals received from NHS Acute Trust organisations (including Foundation Trusts) during quarter one. This represents 46 per cent of the total investigations for quarter one.

Proportionally, 49 per cent of the NHS organisations for which we received referrals for during this period were Acute Trusts (42 referrals), 23 per cent were Mental Health Trusts (23 referrals) and 21 per cent were Clinical Commissioning Groups (CCGs) (21 referrals).

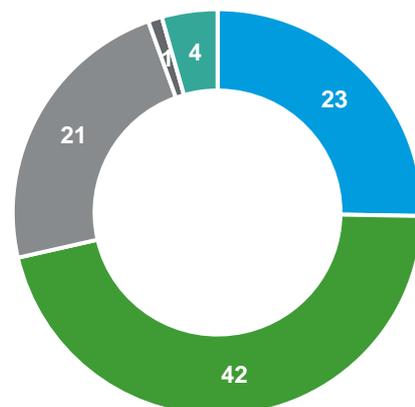


Quarter one:
Top five case types across all NHS organisations
(number of each fraud type)



- Working whilst sick
- Private work in NHS time
- False identity
- Misuse / theft of resources
- Payroll timesheets

Quarter one:
Number of referrals by organisation type



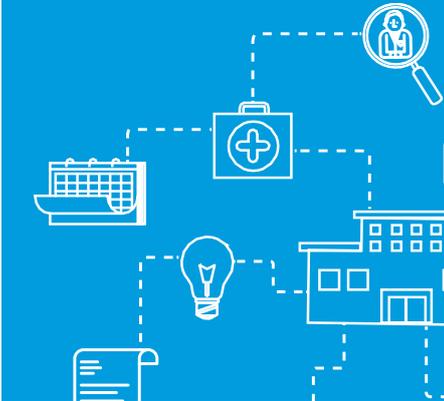
- Mental Health
- Acute
- CCG
- AMB
- CHT

DID YOU KNOW

Did you know....

The total amount of money identified as lost fraud in the NHS during 2019/20 was £2,736,234.75 with the average amount of fraud being £36,000.

(Source: NHS CFA Annual Report 2019/20)



Being found guilty of an offence

If a person is found guilty of a fraud offence, this can carry a sentence of up to ten years imprisonment as well as any disciplinary sanction and penalties imposed by their relevant professional governing body.



Working whilst sick...

If you are off work due to sickness, did you know that if you take up any other type of employment (paid or unpaid) during that time, you could be committing fraud?

You must always follow the requirements of your individual organisation and request consent before taking up any other work elsewhere. This includes working for your own company (if applicable).

If you are ever in doubt, check first!



Please report all concerns as soon as possible

You should contact your Local Counter Fraud Specialist (LCFS) directly or call the national anonymous, 24-hour reporting line on 0800 028 4060.

You can also report online, completely confidentially via <https://cfa.nhs.uk/reportfraud>

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