MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

Evidence Brief

Benefit fraud initiatives

January 2012

Author

Centre for Social Research and Evaluation (CSRE), Ministry of Social Development.

Disclaimer

The views and interpretations in this report are those of the researcher and are not the official position of the Ministry of Social Development.

Readers should note that this report has not been through the Ministry's full publication quality assurance process but is being published as it may be of value and interest to the social services research community and others. The report has been edited and proof read, but the layout and content has not been reviewed or updated since the report was finalised. Web links for references have been updated where possible.

Date of publication

This report was completed in January 2012, and published in the MSD Research Archive website in September 2019.

ISBN

Online 978-0-9951244-1-7

Evidence Brief: Benefit fraud initiatives

Key points

- New Zealand does not estimate the overall extent of overpayments due to fraud, abuse and error. However, the typical range of overpayments for OECD countries is estimated to be 2–5 percent of welfare expenditure.
- At the Ministry of Social Development (MSD), fraud is defined as investigations that have resulted in a prosecution. Overpayments established following a positive data-match with another agency are generally considered abuse. All other debts established following an investigation are identified as overpayments. It can be difficult to distinguish between unintentional error and intentional fraud; however adequate control measures and checks can be effective in reducing both.
- There are a number of factors influencing fraud, abuse and error as well as a number of challenges in reducing them.
- Data matching between government agencies and anti-fraud investigations are common tools used by social welfare agencies to combat fraud, abuse and error, with many agencies seeking to expand these operations.
- Data-matching programmes have been shown to be cost-effective in Australia and New Zealand, with Australia's Centrelink reporting an estimated cost/benefit ratio of around 1:8 for its data matching programme in 2009/2010.
- In 2011, the expenditure of MSD's Integrity Services for formal investigations and data matching was NZ$36m (excluding GST). The estimated prospective savings from these investigations is around NZ$98m.
- It is often difficult to determine the impact of individual anti-fraud initiatives as these are typically rolled out as a wider package with various other anti-fraud initiatives, often among other changes to social welfare provision.
- Because the estimated level of fraud is based on the amount of fraud previously detected, initiatives that improve detection of overpayments will likely increase the estimated level of fraud. It is therefore, not possible to determine what impact such initiatives have on reducing the overall level of fraud.
- While estimated future savings of anti-fraud initiatives are reported by many agencies, these numbers typically do not include the potential savings from the deterrence effect from the initiatives.

The number of overpayments identified by data matching programmes in Australia and New Zealand, and the cost and estimates prospective savings from these initiatives are shown in Table 1. Due to the variation in how the prospective savings are calculated and other factors (see notes below), the prospective savings and cost/benefit ratios should not be compared between countries or programmes. However, data matching programmes in both countries have been shown to be cost-effective.

Table 1: Data-matching programmes in Australia and New Zealand and associated savings and expenditure

Country	*Programme*	*Year*	*Number of overpayments identified*	*Estimated prospective savings ($)*[a,b,c,d]	*Cost of running programme ($)*[a, e]	*Cost/ Benefit Ratio*[f,g]
Australia[h]	PAYG[i] Data-matching only	2001/02	n/a	3,155,769	1,210,141[j]	1:2.6
		2002/03	n/a	12,789,000	930,594	1:13.7
	Data-matching Programme	2007/08	28,888	155,753,500	18,519,600	1:8.4
		2008/09	38,665	173,117,700	23,463,800	1:7.4
		2009/10	35,386	191,025,500	22,811,000	1:8.4
New Zealand	Data Match Only	2007	23,132	33,907,238	9,826,964	1:3.5
		2008	33,402	48,093,249	10,184,106	1:4.7
		2009	27,904	39,444,843	13,519,388	1:2.9
		2010	33,204	59,685,622	n/a	n/a
		2011	45,364	86,765,522	n/a	n/a
	Data Match & Fraud Investigations	2010	36,200	71,845,132	34,454,000	1:2.1
		2011	47,788	98,283,780	36,063,000	1:2.7

Notes:
a) All dollar amounts are in the currency of the country
b) Prospective savings are based on different assumptions of the duration of continued overpayment if they had not been detected. In Australia, the assumed duration of continued overpayments is 52 weeks. In New Zealand, it is 26 weeks.
c) In New Zealand, only the amount of overpayment is used in the calculation of prospective savings (the amount the client was eligible to receive is subtracted). In Australia, the amount that has ceased being paid is used in the calculation (this includes amounts the client would have been eligible to receive but is no longer eligible for due to failure to comply with requirements)
d) In Australia, prospective savings also assumes that a certain percentage of debts will be recovered.
e) The cost of running the programme for New Zealand does not include GST
f) Cost to benefit ratio = Cost of running programme as a ratio to the estimated prospective savings. New Zealand ratios calculated by CSRE.
g) Prospective savings and cost to benefit ratios should not be compared across countries or across programmes for the reasons reported above (see notes a – e)
h) See Table 2 of the Appendix for other specific data matching programmes run by Centrelink in Australia
i) Pay As You Go (Income Tax)
j) The 2001/02 PAYG expenditure includes the initial start-up costs.

Sources: Centrelink (2004); Centrelink (2011); Integrity Services (2011)

Objective

The aim of this evidence brief is to report on various anti-benefit fraud initiatives, issues and considerations that have been identified when addressing benefit fraud, and to provide quantitative data on initiatives from New Zealand and overseas. This evidence brief focuses on initiatives that may be implemented or expanded as part of the Welfare Reform Package.

What is benefit fraud?

Ireland's Department of Social Protection and the United Kingdom's (UK) Department for Work and Pensions consider benefit fraud to be the deliberate attempt by clients to gain benefit amounts they are not entitled to[1], with similar definitions used by other countries[2]. However, Australia's Centrelink and New Zealand's Ministry of Social Development (MSD) also require that the beneficiary be prosecuted before the case is considered fraud. RAND Europe[3] estimated that New Zealand overpayments from benefit fraud, abuse, and error account for 2.7 percent of welfare expenditure[4] based on numbers from 2001.

Fraud versus error

In other countries, the difference between fraud and error essentially comes down to intent. If clients deliberately seek to gain benefit amounts they are not entitled to then this is referred to as fraud. If unintentional mistakes are made by either staff or clients then it is referred to as an error. However, as it is often not possible to determine intent (or have sufficient evidence to prosecute), it is therefore difficult to distinguish between fraud and error[5]. Research suggests that the majority of overpayments are due to unintentional error (on behalf of the client or staff) rather than intentional fraud (with Ireland attributing approximately 69 percent of overpayments to staff or client error in 2009/2010[6]). As such, many anti-"fraud" initiatives simply focus on reducing overpayments, irrespective of intent of the client. Both fraud and error can result in significant costs, and both can be reduced by ensuring adequate procedures and checks are in place at the front end.

Comparisons with other countries

RAND Europe sought to create a benchmark of fraud and error in welfare systems[7]. They studied nine similar OECD countries (New Zealand, Australia, Canada, France, Ireland, Sweden, Netherlands, United Kingdom and United States)[8]. While all countries studied had a three-tier benefit system (universal benefits, contributory benefits and means-tested 'top up' benefits), other differences made it difficult to accurately compare across welfare systems. However, RAND Europe estimated that fraud and error rates accounted for two to five percent of welfare expenditure across countries[9], with New Zealand fraud and error rates being at 2.7 percent[10] (compared with 2.3 percent for the UK and three to five percent for Canada).

---

1 Department of Social Protection, Ireland. (2011a). Tackling Social Welfare Fraud.

2 Prenzler (2011). Welfare Fraud in Australia: Dimensions and Issues

3 RAND Europe is part of the US-based RAND Corporation and is an independent not-for-profit research institute whose mission is to help improve policy and decision-making through research and analysis.

4 National Audit Office, UK. (2006). International benchmark of fraud and error in social security systems (see: www.nao.org.uk/report/international-benchmark-of-fraud-and-error-in-social-security-systems/)

5 New Zealand's Accuracy Reporting Programme (ARP) provides a measure of the proportion of cases found to be accurate rather than any measure of the size of any incorrect payments or fraud.

6 Department of Social Protection, Ireland. (2011a).

7 RAND Europe (2010). £2.6 billion fraud and error. Too much?

8 See Table 1 of NAO Executive Summary (p.4) for social welfare expenditure for these countries in 2001.

9 Similar estimates have been reported by other organisations, such as Ireland's Department of Social Protection (which estimated 3.4%).

10 The report *Social Security Benefits: Accuracy of Benefit Administration (2003)* by the Controller and Auditor-General referred to a study which found that 2.7% of the cases sampled had errors that resulted in benefits being paid inaccurately.

Main causes of fraud and error

According to research from the UK[11], the main causes of welfare fraud and error are as follows:

- **complexity of the system:** this leads to confusion and genuine error among clients and staff, as well as the actual and perceived 'hassle' for clients in updating their circumstances
- **means-testing:** the difficulty in confirming the information provided by clients about income and assets is correct
- **perceived weakness of the sanctions:** the sanctions do not present an adequate deterrent to potential fraudsters. This includes the perception that punishment may not be forthcoming due to the time elapsed between the fraudulent activity and the subsequent detection, investigation and debt recovery/prosecution
- **social norms and beliefs:** including beliefs that welfare fraud is acceptable, a victimless crime, and 'everybody is at it'
- **internal systems and support for staff:** lack of resources for staff (particularly appropriate IT systems), and lack of training and incentives for accurate processing of client information.

Types of benefit fraud

Ireland's Department of Social Protection identifies seven types of benefit fraud[12, 13]:

- **concurrent working and claiming:** a person is receiving a benefit, such as Jobseekers Allowance, but gains employment and does not inform Work and Income
- **non-disclosure of means:** a person is receiving an income-tested or asset-tested benefit but does not disclose the full amounts of assets or sources of income to Work and Income
- **multiple claiming or personation:** a person is claiming more than one (non-complementary) benefit or is assuming and falsely using the identity and personal details of another person (such as their IRD number or Work and Income client number)
- **life events:** a person continues to claim a payment to which they are no longer entitled such as when a sole parent marries, enters into a civil union or begins cohabiting, or carers who continue to claim the Supported Living Payment when caring duties have ceased
- **cohabitation:** people are living as a "family unit" and fail to notify Work and Income in order to qualify for higher rates of payments (single-person or living alone), or payments to which they may not be entitled
- **employer non-compliance:** where employers fail to maintain appropriate employment and salary/wage records
- **non-residency:** a person claims a benefit payment which requires residency, and they have never been a resident or are no longer resident.

11 Department of Work and Pensions and Her Majesty's Revenue and Customs (2010).
12 Department of Social Protection Fraud Initiative 2011-2013 (Ireland).
13 Descriptions given use New Zealand examples.

Challenges in addressing benefit fraud

Prenzler (2010) reported that welfare systems across the world initially had very few checks and controls to counter fraud, and service deliverers were meet with challenges when they attempted to introduce more thorough checks and controls. The main reasons for this are:

- it is often difficult to check on the information supplied by applicants or to monitor recipients for changes in their circumstances
- welfare providers are expected to be sensitive to the applicant's needs and circumstances
- it is difficult to distinguish between intentional fraud and unintentional error
- anti-fraud measures can entail procedures that could deter and stigmatise recipients and delay urgently needed benefits.

Anti-fraud and error initiatives

In general, there are four main categories of anti-fraud initiatives[14], which often cross-over.

- **Prevention:** having front-end systems and procedures in place that prevent and minimise the risks of fraud, abuse and error.
- **Detection:** detecting fraud, abuse and error at the earliest possible stage.
- **Deterrence:** developing an anti-fraud culture among staff and the public by promoting public awareness of the risk and penalties involved in defrauding the social welfare system, and dealing decisively with fraud and abuse when detected.
- **Action:** pursuing the recovery of debts and improving systems and procedures.

Specific types of initiatives

Data-matching

In the detection category of anti-fraud initiatives, data matching is one of the most common means of identifying fraud, abuse, and error and involves matching information provided by clients with information from other government and non-government sources. Data matching can be difficult due to privacy issues and the variation in record-keeping systems used by various organisations. According to Prenzler (2010) there are three main kinds of data matching:

- **payment matching:** ensures that clients are not claiming multiple benefits, where receiving one benefit precludes receiving the others
- **income matching:** ensures that the client's recorded income matches that recorded by other agencies (such as Inland Revenue)
- **personal identity discrepancies:** personal identity information (including residential addresses) are matched with other agencies (such as Inland Revenue).

MSD is involved with a number of authorised information matching programmes with other agencies run by the National Programmes Centre. The other agencies include[15]:

- Inland Revenue to detect clients who may be working as well as receiving benefit or Student Allowance
- New Zealand Customs Service to detect clients who have left the country
- Department of Corrections to detect clients going into prison
- Department of Internal Affairs to identify clients who have died or married

---

[14] Department of Social Protection, Ireland. (2011a). *Tackling Social Welfare Fraud.*

[15] Ministry of Social Development (n.d.). Authorised information matching programmes

- Accident Compensation Corporation (ACC) to identify clients who are receiving ACC payments
- Housing New Zealand Corporation to identify new tenants, existing tenants who are in relationships and clients who are no longer tenants.

In 2010, Ireland's Department of Social Protection conducted 929,383 reviews of client information, resulting in an estimated €483.2m of savings. A new Fraud Initiative for 2011–2013 aims at saving at least €625m for 2012[16].

Since 1996, the Audit Commission in the UK has run the National Fraud Initiative (NFI), matching data held by around 1,300 organisations including councils, police, hospitals, and around 100 private companies to identify fraud, error and overpayments, and continues to expand. The data collection and analysis for the 2010/2011 report is currently ongoing. Since the initiative's start in 1996, the programme has helped detect £664m in overpayments[17]. In 2008/2009 the initiative resulted in:

- tracing £215m in fraud, error and overpayments
- identifying 181 people who did not have a legal right to work in the UK
- recovering 97 properties for social housing
- 269 prosecutions.

An advanced data matching programme using neural networks (which can extract and analyse large data sets) have been utilised in Texas to investigate fraud in the Medicaid system. In 2000, the programme was responsible for the recovery of US$3.4m[18].

Formal investigations and prosecutions

In the detection category of anti-fraud initiatives, formal investigations follow on from tip-offs from the public, suspicions from staff, data matching, and other triggers of suspected fraudulent behaviour (such as mining internal databases). Prosecutions follow from formal investigations and fit into the deterrence anti-fraud initiative category.

- In 2011, MSD's Integrity Intervention Unit (IIU) and the National Fraud Investigation Unit (NFIU) investigated 16,266 cases[19]:
  - 2,424 of these cases were identified as receiving overpayments totalling NZ$39,838,760
  - prospective savings from these investigations is estimated to be NZ$11,518,258
  - 690 prosecutions were completed, with 658 (95%) being successful
  - the prospective savings and expenditure of both data matching and formal investigations for 2011 is shown in Table 1
- In 2008/2009, Centrelink[20] in Australia had approximately 6.8 million clients, and conducted 3.8 million reviews, which resulted in 641,505 adjusted payments[21] and the initiation of 26,084 formal investigations of which:

---

16 Department of Social Protection, Ireland. (2011b). Note: Total expenditure on Welfare payments in Ireland for 2011 was estimated to be €21 billion.

17 See Audit Commission, UK (2010) for NFI reports for previous years. https://webarchive.nationalarchives.gov.uk/20150406174833/http://www.audit-commission.gov.uk/national-fraud-initiative/nfi-reports/

18 Department of Social Protection, Ireland. (2011a)

19 For other figures including other years from 2007-2011 see Integrity Services, Ministry of Social Development (2011).

20 Prenzler (2010). Detecting and Preventing Welfare Fraud

21 See Table 3 of the Appendix for the number of compliance reviews and adjusted payments from 2006/2007 to 2008/2009 and Figure 1 of Prenzler (2011, p.3) for the number of compliance reviews and adjusted payments from 1997/1998 to 2008/2009

  - 3,873 involved possible identity fraud, with 166 referrals for prosecution in the same year and AU$15.1m in debts and savings
  - 5,082 were referred to the Public Prosecutions office, of which 3,388 cases were prosecuted with 3,354 convictions (99 percent conviction rate)[22,23]
  - resulted in AU$113.4m in savings and debt, equivalent to AU$4,347 in savings per investigation.
- In 2001/2002, Ontario Works conducted 38,452 investigations into welfare fraud in which:
  - 12,816 cases (33.3 percent) resulted in a reduction or termination of social assistance[24]
  - CA$49.3m of social assistance was identified as being paid out to those who were not entitled, with an estimated CA$11.6m in future costs saved
  - 393 criminal convictions resulted.
- In 2011, Ireland's Department of Social Protection conducted 270 formal investigations of clients who were part of the One Parent Family Payment Project and were suspected of fraudulent behaviour[25]:
  - in 82 cases savings were achieved, and 67 allowances were terminated.

Recovery action

Recovery is in the action category of anti-fraud initiatives and addresses recovery of debt after fraud, abuse, and error have been identified.

- In 2008/2009, after several improvements to Australia's debt collection processes (including increasing resources, wider payment options for clients, and outsourcing difficult cases to private agencies), Centrelink met its target of 70 percent of debt recovered for the year (equating to AU$1.9b)[26].
- The UK's Department of Work and Pensions is currently running a pilot programme where it outsources debt recovery from people who are no longer in receipt of a benefit to private sector agencies[27].
- In Ireland, a new Fraud Initiative for 2011–2013 aims to improve debt recovery by removing existing restrictions, which includes not writing-off debt incurred through fraudulent activity so long as the person is alive.

Other types of anti-fraud initiatives

There are a number of other anti-fraud initiatives carried out by MSD and other social welfare agencies in other countries. MSD initiatives include:

- **fraud tip-off lines and email addresses** allowing members of the public to report suspected acts of benefit fraud
- **the establishment of an Intelligence Unit** to profile fraud risks and develop intervention programmes against a selected group of clients who match risk profiles
- **data mining exercises** to match MSD information against Ministry-wide databases to detect fraud
- **collaboration across Government agencies** by working alongside the Police and other law enforcement agencies to detect criminal and benefit fraud activities.

---

22 See Figure 2 of Prenzler (2011, p.4) for referrals to prosecutions office, prosecution and conviction trends for Centrelink client from 1997/1998 to 2008/2009
23 See Table 4 of the Appendix for convictions and associated debts by benefit type
24 For a breakdown of the reasons for termination and reduction of assistance, see Table 5 in Ministry of Community, Family and Children's Services, Canada (2003). (pp.3-4)
25 Department of Social Protection, Ireland. (2011b). *Fraud Initiative 2011–2013.*
26 Prenzler (2010). Detecting and Preventing Welfare Fraud
27 Department of Work and Pensions and Her Majesty's Revenue and Customs, UK. (2010).

Initiatives from other countries include[28]:

- **periodic fraud and error surveys** that involve inspectors reviewing a random selection of clients from a given scheme to assess underlying levels of fraud and error and identify the scale of the excess payment. These are used to assess risk levels of various groups and inform the design of anti-fraud control measures
- **media campaigns** to inform clients and the general public of their obligations and penalties and seek to change social acceptance of benefit fraud. However, Mitton (2009) argues that media campaigns have the potential to have the reverse desired result by encouraging the belief that 'everyone is at it' therefore elevating benefit fraud to a social norm
- **client information sessions** to provide high-risk clients with information on benefit schemes and highlight their obligations and the risks and consequences of attempting to defraud the system
- **professionalisation** including proper training and support for front-line staff regarding anti-fraud guidelines and requiring anti-fraud investigators to be properly qualified
- **identity verification checks** to reduce fraud relating to impersonation and non-residency
- **business integrity process** that requires appropriate information be available to the appropriate staff when required. Typically this involves easy access to digital copies of documents.

Recent changes overseas

Ireland's Department of Social Protection has introduced a Fraud Initiative for 2011–2013. The initiative aims to reduce fraud to the value of €625m for 2012. Reviews of the changes in the initiative will be carried out and reported periodically. Changes included in this initiative are:

- greater inter-agency cooperation and information sharing to combat fraud at both national and local level
- enhancing the technical and auditing capacity through modern data matching and data interrogation techniques
- increasing the 'presence' (through highly visible operations) and powers of social welfare inspectors
- targeting high-risk sectors and groups based on fraud and error surveys
- increasing penalties and investigations into sectors at high risk of having a 'hidden economy' (where earnings may be 'under the table' cash payments and are not disclosed)
- increasing awareness of the obligations of clients and penalties for committing fraud
- reducing social acceptance of benefit fraud, including a media campaign
- improving debt recovery, including removal of existing restrictions, and not writing-off debt incurred by fraudulent activity so long as the person is still alive
- introducing a more secure Public Services Card (including biometric photograph and signature on the face of card as well as digital encoding) to combat identity fraud.

[28] Based on those referred to by Prenzler (2010).

Other considerations and limitations

As a rule individual initiatives are not put in place in isolation, but as part of a package of changes to the welfare system. Therefore, identifying the extent of the impact that an individual initiative has is very difficult.

While MSD and Australia's Centrelink do not estimate the level of fraud, RAND Europe and other agencies (such as Ireland's Department of Social Protection) have done so. These estimates are typically based on current rates of detection, meaning the more resources devoted to detecting fraud and other overpayments, the more overpayments will be detected, and the higher the overall estimated level of fraud and error will be. Therefore it is not possible to estimate the impact an initiative, which includes detection aspects, has on reducing the overall level of fraud and error.

Although some initiatives have reported estimates of future savings due to the reduction or termination of benefit payments, it is not possible to determine the extent of future savings from the deterrence effect of anti-fraud initiatives.

References

Audit Commission, UK. (2010). The National Fraud Initiative 2008/09. *National Report.* https://webarchive.nationalarchives.gov.uk/20150406174833/http://www.audit-commission.gov.uk/national-fraud-initiative/nfi-reports/

Centrelink, Australia (2004). Pay-As-You-Go (PAYG) Data Matching. *Program Protocol*.

Centrelink, Australia (2011). Data-matching Program. *Report on Progress 2007-10.*

Department of Social Protection, Ireland. (2011a). Tackling social welfare fraud. *Spotlight*, 5, 1–16. www.oireachtas.ie/parliament/media/housesoftheoireachtas/libraryresearch/spotlights/Spotlight_Social_Welfare_Fraud.pdf

Department of Social Protection, Ireland. (2011b). *Fraud Initiative 2011-2013*. www.welfare.ie/EN/AboutUs/Documents/FraudInitiative2011.pdf

Department of Work and Pensions and Her Majesty's Revenue and Customs, UK. (2010). *Tackling fraud and error in the benefit and tax credit systems*. www.dwp.gov.uk/docs/tackling-fraud-and-error.pdf

Integrity Services, Ministry of Social Development. (2011). *Fraud and Data Match Annual Statistics*.

Ministry of Community, Family and Children's Services, Canada. (2003). *Ontario Works: Welfare Control Report, 2001-2002*.

Ministry of Social Development. (n.d.). *Authorised information matching programmes*.

Mitton, L. (2009). Factors affecting compliance with rules: Understanding the behaviour and motivations behind customer fraud. Department for Work and Pensions. *Working paper*, 67, 1–46. https://webarchive.nationalarchives.gov.uk/20130125094425/http://research.dwp.gov.uk/asd/asd5/WP67.pdf

National Audit Office, UK. (2006). International benchmark of fraud and error in social security systems. *Executive Summary*, 1–19. www.nao.org.uk/report/international-benchmark-of-fraud-and-error-in-social-security-systems/

Office of the Auditor-General. (2003). Social Security Benefits: Accuracy of Benefit Administration. *Report of the Controller and Auditor-General*. www.oag.govt.nz/2003/benefit-administration/docs/benefit-administration.pdf

Prenzler, T. (2010). Detecting and Preventing Welfare Fraud. *Trends & Issues in Crime & Criminal Justice*, 418,1–6. https://aic.gov.au/publications/tandi/tandi418

Prenzler, T. (2011). Welfare Fraud in Australia: Dimensions and Issues. *Trends & Issues in Crime & Criminal Justice*, 421,1–6. https://aic.gov.au/publications/tandi/tandi421

RAND Europe. (2010). *£2.6 billion fraud and error. Too much?* www.rand.org/pubs/corporate_pubs/CP602z3.html

Appendix: Centrelink Data

Table 2: Specific data-matching initiatives of welfare recipients in Australia

Data-matching Project	*Introduced*	*Target*	*Fortnightly savings (AU$)*
Tax File Number Declaration Form	1987	Customers commencing employment	14,754,587
Accelerate Claimant Matching	1989	Duplicated claims and unreported changes in circumstances	676,528
Immigration	1990	Customers who have left Australia	1,234,478
Corrective Services	1992	Customers who have gone to prison or stolen a prisoner’s identity	1,248,705
Enrolment	1997	Students not properly enrolled	1,496,358
Defence Housing Authority	1997	Applicants who also receive a Defence Housing benefit	19,635
Superannuation	1997	Undeclared superannuation	45,003
Death	1997	Deceased customers or persons seeking to steal the identity of deceased persons	3,105,255
Accelerated Claimant Matching – rent assistance	1997	Inflated rent assistance claims from multiple occupants	2,606,968
Trusts	2000	Undeclared assets	52,082
Companies	2000	Undeclared interests in private companies	25,567
Job placement	2000-01	Customers who commence employment	3,401,818
Investment property	2001-02	Undeclared investment properties	42,949
International reviews	2006-07	Circumstances of customers who reside overseas	140,667
Avoiding debt for carers	2007	Care allowance or payment recipients who have entered a residential care facility	173,569
Bank verification	2008-09	Undeclared assets or income	80,491
Pay As You Go (PAYG)	2000-01	Customers not declaring or under-declaring income	446,119

Source: Centrelink unpublished data 2010 (as cited in Prenzler, 2010)

Table 3: Compliance and anti-fraud outcomes for Australian Centrelink clients from 2006/2007 to 2008/2009

Year	*Customers '000s*	*Reviews*	*Cancelled or adjusted down*	*Referred to Director of Public Prosecutions*	*Prosecutions*	*Convictions*	*Prosecutions resulting in conviction (%)*	*Fraud-related Investigations*	**Debts and savings from fraud investigations (AU$)**
2006/07	6,500	4,276,281	628,705	5,261	3,400	3,355	98.7	42,000	127,000,000
2007/08	6,520	4,431,309	702,624	5,312	2,685	2,624	98.6	35,885	140,200,000
2008/09	6,840	3,367,135	641,504	5,082	3,388	3,354	98.9	26,084	113,400,000
Total		12,574,725	1,972,833	15,655	9,446	9,333	98.7	103,969	380,600,000

Source: Centrelink data 2010 (as cited in Prenzler, 2011 – for trends from 1997/98 to 2008/09 see Figure 1 p.3)

Table 4: Fraud across top 15 benefit types in Australia for 2008/2009

Rank	*Benefit Type*	*Convictions*	*Debt associated with Prosecution (AU$)*
1	Parenting Payment – Single	1,280	22,157,531
2	Newstart Allowance	1,045	11,303,971
3	Disability Support Pension	301	5,675,403
4	Parenting Payment – Partnered	174	1,896,174
5	Youth Allowance Student	85	1,180,800
6	Austudy (Centrelink)	69	964,492
7	Age Pension	59	1,270,728
8	Carer (Disability Support)	44	600,458
9	Carer Pension (Other)	40	497,621
10	Carer (Age)	25	337,888
11	Youth Allowance Job Seeker	26	168,395
12	Widow Allowance	24	607,314
13	Family Tax Benefit	23	366,385
14	Sickness Allowance	17	179,109
15	Carers Allowance (Adult)	16	63,192

Note: Cases can be recorded against more than one benefit type
Source: Centrelink unpublished data 2010 (as cited in Prenzler, 2011)