NHS Counter Fraud Service (Wales)

Presentation to Finance for the Future Conference

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NHS Counter Fraud Service (Wales)
Fighting Fraud in your NHS

- Background
- Current structure and remit
- NHS Wales counter fraud strategy
- Resources
- Types of fraud in NHS Wales
- NHS Investigations
- Data on sanctions and recoveries
- Your Role / Red Flags
- Way forward NHS & Public Sector
- Questions

NHS CFS Wales
Background

- **Welsh Government** – firmly committed to the reduction of fraud in *all public services* – zero tolerance approach

- Responsibility for NHS Wales partly delegated via Annual SLA with NHS Counter Fraud Authority (*NHSCFA*) in England

- Reinforced via **Welsh Minister Directions** to Health Bodies 2001 & 2005
Three Layer Service

- **NHSCFA** – specialist support services e.g. Forensic Computing, Dental Advisor & Training
- **CFS Wales** – Funded by WG to investigate large scale, complex economic crimes. Multiple health bodies, cross border or require FI powers (POCA 2002), also support the LCFS network
- **LCFS Network** – lower value, less complex cases, key proactive role to raise staff fraud awareness – Wales model differs from NHS England – QA program very positive
Resources

- **NHSCFA** – Welsh Government pay for specialist operational support services
- **CFS Wales** – 7 person team – all experienced investigators, two accredited Financial Investigators – NWSSP – Funded via WG
- **LCFS** – 20 LCFS who are all employed by NHS Wales, recently recruited a few experienced investigators to continue to improve standards
- **LCFS wte** increased from 14.3 wte in 2014 to 18.7 wte in 2018 – 30% increase.
Counter Fraud Strategy

Creation of an anti-fraud culture

Redress

Inform & Involve

Deterrence

Strategic Governance

Prevent & Deter

Sanction

Hold to Account

Prevention

Investigation

Detection

NHS CFS Wales
Fraud in NHS Wales

- NHS Frauds?
Types of NHS Wales Fraud

- **Opticians** – bogus replacement claims for second pairs, tinted lenses, visits to residential homes.

- **Dentists** – over inflated or bogus claims for services to patients (UDAs) – new contract

- **Consultants** – treatment of Private Patients using NHS Resources, working privately during core NHS hours, setting up own companies to supply the NHS
Types of NHS Fraud

- **Pharmacists** – substituting cheap drugs for expensive drugs, falsely claiming emergency opening fees or additional dispensing fees

- **GPs** – Inflated QOF submissions, false prescriptions, relatives falsely included as practice staff, GP Practice Managers defrauding their own practice

- **Managers** – Finance, Procurement, NHS Estates Managers
Types of NHS Fraud

- **Patients** – False exemption from NHS charges, bogus travel expenses, multiple and false identities, alter genuine prescriptions, theft of GP prescription forms, health tourism

- **NHS Staff** – Working while on sick leave, false timesheets, false travel expenses, false details on job applications, bursary frauds

- **BACS** - Mandate Frauds, Cyber crime, CEO

- **Some case examples** – NHS Staff and NHS Finance Managers
Hell to pay over nurse who went sick to be in Wrath of The Titans

By Charlotte Meredith

A nurse lied about being sick so he could be an extra in a Hollywood blockbuster.

Film fanatic David Preece, 33, told NHS bosses he had suffered a back injury and was unable to carry out his work as a community nurse.

Far from needing time off to recuperate, however, star-struck Preece was working as an extra in the action movie Wrath of The Titans, starring Liam Neeson and Rosamund Pike.

Sacked

While on sick leave, Preece was rubbing shoulders with the cast, including Harry Potter star Ralph Fiennes and Avatar's Sam Worthington.

Preece, who was sacked from his job and prosecuted for fraud, also received payment from the casting company for his role as an extra.

He decided to take time off after finding out the epic was being filmed in a quarry at Treffil, near Tredegar, South Wales, fewer than 30 miles from his home. Magistrates heard Preece spent days shooting battle scenes for the film, lying to a doctor to get a sick note to cover the days he spent on set.

However, instead of the wrath of the Titans, Preece faced the fury of his bosses at Aneurin Bevan Health Board after they were tipped off. He pleaded guilty to false representation, failing to disclose information and obtaining services dishonestly.

He was sentenced to 180 hours unpaid work and ordered to pay £500 in costs by Caerphilly magistrates.

The court also heard Preece stole an NHS mobile phone from his workplace. Between 2008 and 2011 he made more than 5,000 personal calls and texts while the NHS unwittingly paid the bills.

After the trial an NHS spokeswoman said: “This type of conduct is dishonest, indefensible and unacceptable.”
Timesheet Fraud

- Psychiatric Nurse, Cardiff & Vale NHS Trust falsified timesheets - bank shifts worth £36,000
- Spent on holidays and car
- Criminal – 18 month imprisonment
- Civil - £36,000- recovered
- NMC – struck off indefinitely

A senior nurse who stole nearly £36,000 from the NHS to fund exotic holidays overseas has been jailed for nine months.

Cardiff Crown Court heard how Rhian Slaymaker, 32, forged signatures on time sheets used for bank nurses to fund her lifestyle.

She did it because she "got away with it" and later it became a habit.

Judge Jonathan Durham Hall described Slaymaker's crime as "devious, methodical, sophisticated and persistent".

The court heard that the nurse, from Grangetown, Cardiff, devised the overtime fiddle while working as a staff nurse at Cardiff and Vale NHS Trust.

She used the cash to go on foreign holidays - including to Australia, Hawaii and Mexico - and put the rest of the cash towards buying a £60,000 house and a car.
Working While Sick

- NFI data match exercise identified a nurse employed full time at hospitals in Cardiff and London.

- Reporting sick / using special leave to gain absence from one location in order to work at the other.

- Criminal – 20 months suspended sentence, 250 hours CSO with £2,000 compensation.

- NMC – Nurse suspended for 18 months.
NHS Bursary Fraud

Joint NHS / HMRC / DWP
Total Value £90k

- Student Nurse – Merthyr area
- Claimed NHS Bursary as a single parent (£9,500k)
- Claimed Local Council Bursary
- Claimed Working Tax credit and Child Tax Credit as a single parent (£76,000)
- Used previous names
- Sentenced to 2 years imprisonment
- Husband 6 months imprisonment
- POCA Confiscation Order secured £9K for NHS
- National Media publicity

NHS CFS Wales
Llandrindod Wells dentist jailed for £48,000 fraud

A dentist "driven by greed" who falsely claimed almost £48,000 for work on NHS patients has been jailed for 18 months.

charged for £300 crowns when all he did was fillings and also put in bills for non-existent work.

made more than 200 overpriced claims for both dental and orthodontic treatment at his practice in Llandrindod Wells, Powys.

He had admitted eight counts of false accounting at Cardiff Crown Court.

The claims totalling £47,947.43 were made between April 2006 and July 2010.

Venter had been "highly thought of in Llandrindod Wells".

Dentist

- Llandrindod Wells Dentist submitted false claims for treatment
- Split courses of treatment and claimed two fees rather than one
- Claimed for Orthodontic treatment but supplied only a gum shield
- Claimed for treating patients who did not attend their scheduled appointment
- £48,000 defrauded
- Jailed for 18 months
- £78,000 recovered including costs
- GDC struck off

NHS CFS Wales
Hospital Doctor (Registrar)

- Working whilst on sick leave
- £48k paid for sick leave (C&V UHB)
- Earned over £60k elsewhere across UK
- Found guilty of 6 fraud offences by a jury after a 3 week trial at Cardiff Crown Court
- 2 years imprisonment suspended for 2 years, 150 hrs community service
- £73k confiscation order under Proceeds of Crime Act (POCA) with 6 months to pay.
- Failed to pay – Sentenced to 2 years imprisonment.
- GMC struck off and the £73k will still need to be paid upon his release

NHS CFS Wales
Head of Financial Accounting

- Two NHS Trusts in East Sussex
- Trevor Cosson manipulated the internal payments system
- Set up bogus standing orders from Trusts to ‘suppliers’ bank accounts that he controlled
- Swindled £2.2 M from NHS over four years - purchased 11 houses & rented them out
- Restructuring of the NHS Trusts – frauds discovered via audit work
- 5 years & 4 months in prison
- POCA action recovered the funds

NHS CFS Wales
County Durham NHS accountant jailed for car fraud

A health trust accountant has been jailed for defrauding the NHS out of more than £84,000.

John Thurlbeck, 59, from Swan Walk, Spennymoor, was sentenced to two years in prison and must serve 12 months.

Durham Crown Court heard he had fraudulently assigned himself fuel and cars over a period of ten years.

County Durham and Darlington NHS Trust said Thurlbeck had "detailed knowledge of the systems in place, which he abused and manipulated”.

“We have introduced additional segregation of duties and checks have also been introduced for any lease car agreement,” a spokesperson said.

The trust enlisted counter fraud organisation AuditOne to uncover the extent of Thurlbeck’s activities.

NHS Accountant

- John Thurlbeck, accountant with NHS in Durham, NE England
- In charge of the Trust’s lease car scheme
- Initially accessed free fuel, then assigned himself two lease cars
- His post didn’t qualify for the scheme – but he had one car for himself and one car for his wife
- Scammed £84,000 over 10 years
- Sentenced to 2 years in prison
- Reassigned returned cars to himself – sole signature required
- Additional segregation of duties and control checks to prevent future abuse of scheme
NHS Executive Manager

- Louise Tomkins, Director / Corporate Manager at two London NHS Trusts
- Bogus NHS invoices valued at £201,000 to pay for the upkeep of her stud farm
- Bills for horses and vet fees allocated to fake invoices for NHS services and approved over two years
- Fraudulent invoices discovered by her successor
- Prison for 2 years and 9 months, funds recovered
- Dismissed for gross misconduct and lost her NHS pension
NHS Wales Estates Managers

- Powys LHB, ongoing case Merthyr Crown Court
- Mark Evill, Estates Manager set up his own company using real names of U2 Band
- Used absence of senior manager to allocate inflated value contracts to his own company
- Work estimated at £40k valued at £700K, poor standard
- Abused Single Tender Waiver, produced false quotes
- Corrupted co-workers to approve key paper work - Sentencing 2.11.18
NHS Wales Data
01 April 2012 to 31 March 2018

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<th></th>
<th>No of Referrals</th>
<th>Amount Recovered</th>
<th>Criminal</th>
<th>Civil</th>
<th>Disciplinary</th>
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<tr>
<td>2012/13</td>
<td>142</td>
<td>£412,656</td>
<td>20</td>
<td>56</td>
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<td>2013/14</td>
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<td>£405,011</td>
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<td>93</td>
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<td>2017/18</td>
<td>191</td>
<td>£225,499</td>
<td>15</td>
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<td>TOTAL</td>
<td>889</td>
<td>£2,627,551</td>
<td>97</td>
<td>275</td>
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Number of referrals & Sanctions
Aug 2001 to 30 June 2018

- Total No. of referrals: 2005 referrals
  (CFS Wales 202, LCFS 1803)

- Number of Sanctions
  - Criminal 188
  - Disciplinary 367
  - Civil 381

Total Recovered: £7,478,865
The Fraud Triangle:
A framework for spotting high-risk fraud situations

Pressure
Financial or emotional force pushing towards fraud

FRAUD

Opportunity
Ability to execute plan without being caught

Rationalization
Personal justification of dishonest actions
1) *Incentive or pressure* – debts, gambling problem, family demands

2) *Opportunity to commit* – system weakness, lack of segregation of duties, staff sickness

3) *Rationalization / Justification* – over worked, under paid, change in expenses, lack of promotion prospects – I deserve it
Your role as accountants

- **Be aware of economic crime risks** – ACFE Survey 2016, Government & Public Sector second most likely after Finance & Banking sector

- **Public and Private Sector** – impacted by large scale corporate scandals

- **Often not publicised** – reputational damage

- **Part of strong internal controls** - work with audit and counter fraud colleagues

- **Report your concerns** – line manager may be implicated, consider alternatives
Red Flags – Public sector

- **Pressure from external parties** – Senior Executives, Political influence
- **Poor IT systems** – outdated public sector computer equipment or software are vulnerable
- **Centralized decision making** – no clear split between procurement, contracting and approval
- **New projects** - no effective controls in place, inexperienced new managers & staff
- **Overriding of controls or procedures** by senior management on grounds of urgency
Red Flags – Public Sector

- **Staff issues** – high turnover, sickness, pressure on managers, disgruntled employees
- **Increased pressure on staff** – may resort to unethical means to achieve their targets
- **Insufficient resources** - Lack of technical expertise, financial resources or HR support to implement the control procedures
- **Staff allowed to leave quietly** - no policy of pursuing sanctions – swept under the carpet – avoid embarrassment or blame
How to Minimise Risk

- Annual Risk Assessment – informs a workplan
- Clear Code of Conduct – Applies to all, CEO down, zero tolerance, pursue all sanctions
- Annual declaration of interests - by all employees
- Fraud Lead & Internal Audit - report to Audit Committee who hold Executives to account
- Awareness Training - All staff aware of fraud risks and reporting lines – specific training for key staff
- Sufficient Resources - to implement controls, identify possible frauds & promote a robust anti fraud culture – austerity
Way Forward – NHS Wales

- **Continue improved joint working** – proactive work with Internal Audit, WAO and PPV
- **Annual Risk Assessments** – identify key risks to NHS Wales, intelligence role improved
- **Raise Fraud Awareness** – Fraud Alerts, BACS payments, staff aware how to report concerns
- **Emphasise Fraud risks at all levels** - small minority but senior staff equally at risk
- **Increase use of FI and data analytical proactive work** – improve strategic work
Public Sector - Way Forward

- **WG** – Central Body – cover all public sector?
- **Increase counter fraud resources** – invest to save / austerity / conflicting demands
- **Government Counter Fraud Profession (GCFP)** – improved joint working with HMRC etc.
- **POCA 2002 AFI powers** – crucial tool
- **Improved Joint assurance** – work closely with colleagues in Audit, Counter Fraud and Finance
- **Report all genuine concerns** – Improve fraud awareness, be prepared to bypass a line manager - fraud reporting lines, whistleblowing
Conclusion

- **Fraud** – definitely a problem in NHS Wales

- **Risks** – economic crime risks apply to all of the public sector in Wales - possibly a higher risk

- **Report your concerns** - not just to your line manager – always consider suitable alternatives

- **Joint approach** – liaise and work with audit, finance and counter fraud colleagues - inside and outside of your own organisations
Thank You – Questions?

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