

FOI 20/21-0860 – Information on participant fraud from 1 January 2019 to 1 January 2020, data as at 29 June 2021

Scope

1. *The number of reports of fraud against providers (registered and unregistered) between Jan 1st 2019 to Jan 1st 2020*
2. *The number of the above reports investigated.*
3. *The number of those investigations that found fraud.*
4. *The reasons for the above investigations found to be fraudulent.*
5. *The amount of money found to be fraudulently claimed by providers during the same time period.*
6. *The number of random audits of providers conducted during the above time period.*
7. *The number of those audits that revealed fraud*
8. *The amount of money of that fraud*
9. *The reasons that the money was found to be claimed fraudulently.*
10. *The numbers of alleged fraud actions in that time period that were appealed*
11. *The results of the appeals.*

Response

1. The number of reports of fraud against providers (registered and unregistered) between Jan 1st 2019 to Jan 1st 2020:

The NDIA has a dedicated telephone line and email in place (Fraud Reporting & Scams Helpline) where suspected non-compliance or Fraud against the NDIS can be reported.

The NDIA recorded 2,256 tip-offs where the service provider was the primary subject during this period.

2. The number of the above reports investigated.

All reports received through the Fraud Reporting & Scams Helpline are taken seriously. All allegations received are assessed to determine the most appropriate course of action. Sometimes the information provided relates to the responsibilities of the NDIS Quality and Safeguards Commission and where appropriate these allegations are sent to them for their consideration.

To support fraud prevention the NDIA has developed the Compliance and Enforcement Framework (the Framework). The Framework is intended to provide an overview of compliance and enforcement options, as well as provide information on when the use of each option is appropriate.

These options may include one or more of the following compliance activities; targeted engagement (the Agency's first response when addressing inadvertent non-compliance), a desktop compliance review (used to address opportunistic non-compliance) or a fraud investigation (to address deliberate fraud with a criminal intent).

Eight of the above reports led to a full-scale criminal investigation directed at potential prosecution and others may proceed to investigation at some point.



3. The number of those investigations that found fraud.

Six of the fraud investigations progressed to prosecution, fraud was not identified in the remaining two cases that were investigated.

In 2 of the 6 cases fraud has been proven, the other four cases are still before the courts. A total of 11 persons have been arrested and charged with 18 charges. Offences carry a maximum penalty of between 10 years and 25 years imprisonment.

4. The reasons for the above investigations found to be fraudulent.

Alleged and/or proven that offences were committed under the *Criminal Code Act 1995* (such as obtaining financial advantage by deception, conspiracy to defraud, and dealing in proceeds of crime).

5. The amount of money found to be fraudulently claimed by providers during the same time period.

\$6,295,943.

6. The number of random audits of providers conducted during the above time period.

The Agency undertakes quarterly random audits of service providers. A total of 1,005 audits of service providers were conducted during this period.

7. The number of those audits that revealed fraud

Nil.

The Agency defines fraud to be 'dishonestly obtaining a benefit, or causing a loss by deception or other means'. Identification of deliberate intent to receive a benefit, such as theft or the provision of false invoices, which is more than carelessness, accident or error, triggers the referral of a matter for fraud investigation.

8. The amount of money of that fraud

This is not applicable, see response to point 7.

9. The reasons that the money was found to be claimed fraudulently.

This is not applicable, see response to point 7.

10. The numbers of alleged fraud actions in that time period that were appealed

Nil.

11. The results of the appeals.

This is not applicable, see response to point 10.