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Alex Chisholm
Civil Service Chief Operating Officer
and Cabinet Office Permanent Secretary

Dame Meg Hillier
Chair of the Public Accounts Committee
House of Commons
London
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25th May 2023

Dear Chair,

Tackling fraud and corruption against government: supplementary evidence

I would like to extend my thanks for the invitation to give oral evidence to the Public Accounts Committee on Monday 15 May. During the hearing we agreed to provide the Committee with supplementary information in support of the evidence we gave. Please find details below.

1) Prosecutions

Although the Public Service Fraud Authority has a published mandate for central government bodies to provide data in the detection, recovery and prevention of fraud and error, we do not request or hold prosecution statistics for offences against the government.

In order to be of assistance to the Committee, we have obtained and collated statistics for the main areas of prosecution activity - from HMRC, DWP and NATIS which represent Tax, Welfare, Bounce Back Loans and Business Support Grants.

These can be found below:

HM Revenue & Customs (HMRC)

- Between **2019-20** and **2021-22**, HMRC secured or protected **£98.19bn** via its compliance activity covering error, fraud and other behaviours; as part of that criminal investigations led to:
 - 1090 individuals prosecuted
 - 983 individuals convicted
- The number of **criminal prosecutions** resulting from HMRC criminal investigations are shown below:
 - 691 in 2019-20
 - 163 in 2020-21
 - 236 in 2021-22

Department of Work & Pensions (DWP)

- In 2022-23, the vast majority of benefit expenditure (which totalled £233.8bn) was paid correctly.
- Between **2020-21** and **2022-23**, the number of cases referred by DWP to the Crown Prosecution Service/Procurator Fiscal for prosecution were as follows:
 - 482 in 2020-21
 - 244 in 2021-22
 - 487 in 2022-23
- In the same timeframe, the **volumes of convictions** secured are shown below:
 - 531 in 2020-21
 - 350 in 2021-22
 - 273 in 2022-23

NB: the two sets of statistics may not correlate exactly as the timescale between an allegation being made and an outcome being achieved could span different reporting years. Equally, some cases will appear in both sets.

- A significant driver for the decrease in case numbers was social distancing measures put in place because of the pandemic and the closure (or reduced capacity) of Courts, and the resultant backlogs, prompted by lockdowns during the pandemic period and, to a lesser extent, subsequent industrial action by legal professionals.
- Departments expect prosecution numbers to increase in future years.

National Investigation Service (NATIS)

- The National Investigation Service provides investigations for what was BEIS, focusing on business support grants and Bounce Back Loans. The data presented below shows a point in time, as opposed to a trend over time, because the data shows the results as of 30th April 2023. Data is collected monthly and further updates are available. NATIS focus is on serious and organised crime cases and cases are complex and time consuming in nature.
- Total Number of open investigations (as of 30/04/23)
 - Bounce Back Loans: 217
 - Business Support Grants: 16
- Number of cumulative arrests
 - Bounce Back Loans: 74
 - Business Support Grants: 45
- Cases with CPS for Advice
 - Bounce Back Loans: 2
 - Business Support Grants: 1
- Cases with CPS for pre-Charge Decision
 - Bounce Back Loans: 8
 - Business Support Grants: 3
- Criminal prosecutions at court
 - Bounce Back Loans: 2
 - Business Support Grants: 2

2) Counter-Fraud activity in Local Authorities

During the Hearing, James Bowler, HMT Permanent Secretary, committed to engaging with the Permanent Secretary of the Department for Levelling Up, Housing and Communities (DLUHC) to discuss counter-fraud activity in Local Authorities. Mr Bowler will write to the Permanent Secretary of DLUHC to discuss further.

I am grateful for the Committee's continued interest in this vitally important area.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Alex Chisholm', written in a cursive style.

Alex Chisholm

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