

2015.02.24

3.10 Deputy J.A. Hilton of the Minister for Social Security regarding a legally binding repayment plan for the couple recently sentenced for defrauding the Department of £50,000:

Can the Minister confirm whether a legally binding repayment plan has been put in place following the case heard in the Royal Court on 6th February 2015 where a couple were sentenced for withholding material information from the Social Security Department contrary to Article 16(a) of the Income Support (Jersey) Law 2007 and aiding and abetting the commission of that offence defrauding the department of £50,000?

Deputy S. Pinel (The Minister for Social Security):

The courts, as part of sentencing, may impose a compensation order for the recovery of a debt. If the court does not do this the department will always attempt full recovery of the overpayment through other means. As you would expect, I am unable to provide details in relation to specific individuals. I can confirm that my department will in all cases endeavour to recover all monies falsely claimed. In the first instance payment in full is requested. If a lump sum payment is not achievable due to the individual's financial circumstances, then monies can be repaid by way of an instalment agreement. If an individual does not sign up to an agreement the department may seek a petty debt or Royal Court judgment to safeguard the debt. If a judgment is obtained this can then be enforced by an arrest on wages or through referral to the Viscount's Department, likewise if an individual agrees to an instalment plan and then payments stop a judgment will be sought.

3.10.1 Deputy J.A. Hilton:

Is the Minister saying that a compensation order was not sought in this case?

Deputy S. Pinel:

As I said, I cannot really discuss the individual cases but when a compensation order is granted by the courts, payments are made directly to the Viscount's Department and the Social Security Department does not receive the funds until the debt is paid in full.

3.10.2 Deputy J.A. Hilton:

Is the Minister able to say whether the Social Security Department has approached the couple with a view to a pay back, an agreement to pay back the sums taken from the department?

Deputy S. Pinel:

As I said previously I cannot comment on an individual case.

3.10.3 Deputy G.P. Southern:

Does the Minister have a figure for the total amount annually lost to the department through deliberate fraud or error on the part of applicants or on the part of the department?

Deputy S. Pinel:

The department introduced a new fraud strategy and increased the manpower to exercise this in 2010 and I can answer the Deputy's question in as far as 2013 - I do not have the figures for 2014 as yet - when £464,000 was recovered by the department.

3.10.4 Deputy G.P. Southern:

That was a figure for total fraud discovered, or does she have an estimate for the total amount lost through error either on the part of applicants or on the part of the department?

Deputy S. Pinel:

I have a breakdown of the income support which was £398,000, sickness and invalidity benefits which was £63,000, survivors benefits none, and others £2,300.

Deputy G.P. Southern:

That was figures for fraud, was it?

Deputy S. Pinel:

This was the amount that I have just quoted of the monies recovered from fraud.

3.10.5 Deputy J.A. Martin:

The Minister said that the amount - I think over £400,000 was recovered, does she know the amount that was owed? How much fraud there was? Was that half of it, part of it, or all of it?

Deputy S. Pinel:

That was all of it recovered in 2013 and there are still 5 cases outstanding.

3.10.6 Deputy J.A. Hilton:

I am a little disappointed that I have failed to establish exactly what was asked for and not asked for in this case. It was a substantial sum of money, it was £50,000. The couple convicted were - by way of sentence, received a 210-hour community service which is very, very good going. It equates to about £120 per hour which is very good work if you fancy doing it. Was the Minister disappointed at the outcome of this case, and what message does she think it sends out to the hardworking taxpayers of this Island?

Deputy S. Pinel:

It took a long time to ascertain that fraud had been committed in this case and it was fairly recently in the court, and I cannot comment on what the department is doing to pursue the monies owed.