

Countering Fraud in Student Funding

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Introduction

Countering Fraud in Student Funding

- Fraud within the student finance system is not acceptable at any level. SLC's Counter Fraud Services (CFS) department work to detect and prevent fraud which can impact not only SLC but also students and providers both in terms of reputation and financially.
- This session will provide you with an understanding of how CFS work to tackle the threat of fraud and discuss the types of fraud identified, along with offering some guidance on how to recognise potential fraud within the providers' environment.

Introduction

The fraud department is made up of 64 staff which include our fraud investigators, analysts, 2nd tier review , sanctions officer & team managers. Our investigators are trained in investigations to the Bond Solon standards and all staff are CIFAS registered



Contents / Agenda

- 1 Overview of CFS & what we do

- 2 Case studies

- 3 Fraud trends

- 4 Vulnerable Students

- 5 Overturning a fraud decision

- 6 How fraud can impact you & what you can do to help

- 7 Q&A

Who Are CFS?

Maintenance Loan and Grant

Eligibility and Entitlement, Phishing, Identity, Residency

Targeted Support Services (TSS)

Child Care, Adult Dependent Grant, Parental Learning Allowance ,DSA

Institutional & Organised

Qualifications, Attendance, Organised Targeting of Learning Provider

Repayments Evasion

Avoiding Repayment & ID theft

What do we do?

Our goal is to detect and prevent fraud. We do this by:

- Investigating potential Fraud
- Analysing confirmed Fraud
- Reviewing Sanctions
- Carrying out sample checks



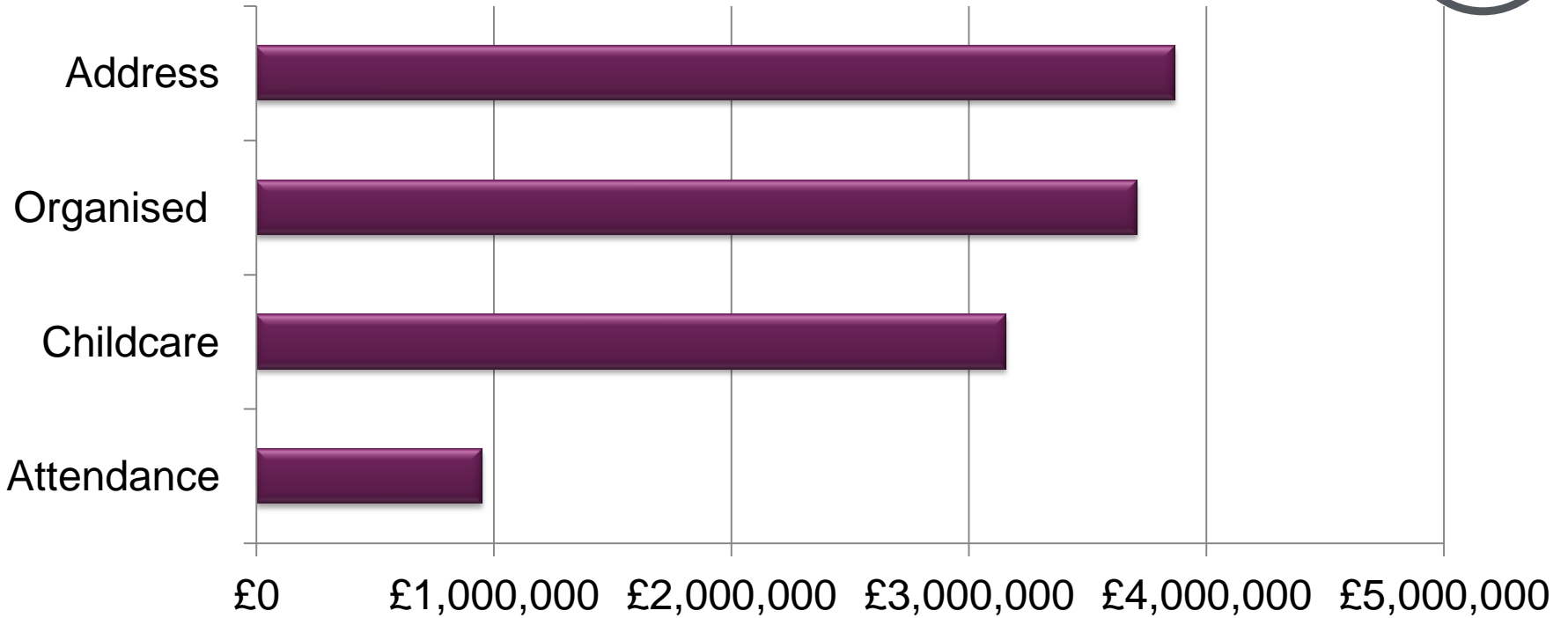
Time to VOTE



Please select what you think are the top 2 areas of fraud:

- A. Claiming to have a single parent
- B. Residency
- C. Claiming to live away from parents
- D. Childcare
- E. Estrangement
- F. Organised large scale crime
- G. Attendance

Answer





Our Teams

Targeted Support Services

What do they do?

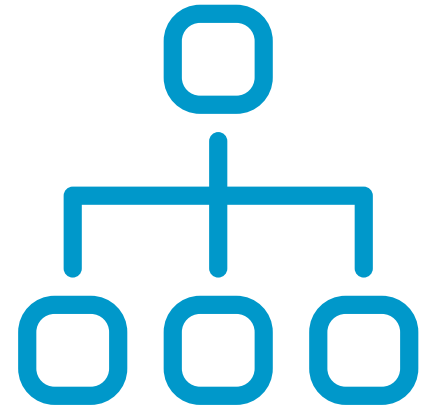
- Investigate claims for Grants For Dependant's: Childcare Grant, Parent Learning Allowance and Adult Dependent Grant. Upon investigation this may also include looking into the Household Composition.
- As GFD funding is non repayable it is paramount that we provide the correct amount of support to our customers.

Case Study

Student in full time study but also claiming to be a Child Care Provider (CCP) looking after other students' children.

- Student A is on a full time course with Student B and Student C
- Student B declares themselves to be Student A's CCP
- Student C declares themselves to be Student B's CCP
- Student A declares themselves to be Student C's CCP

£30,275.03 is being claimed in Childcare by the above students, whilst in full time studies.



Maintenance Loan & Grant Team

What do they do?

The Maintenance Loan and Grant Team are responsible for investigating all types of fraud that would affect the rate of maintenance loan funding a student would receive.

The main types of fraud they currently investigate are:

Household Composition, Residency, Independent/Estrangement, Migrant Worker, Elsewhere/own home, False Phishing claims.

They also check any potential false documents supplied as part of application process.

Case Study

Elsewhere Sample

- Random sample of students claiming elsewhere/own home rate of maintenance loan, however parental address is within close proximity to HEP.
- Evidence of address requested from the students or confirmation that student resides within parental home.
- From the sample, 39.6% of students had a reassessment to parental home rate- this saved £2,531,748 in one exercise.
- We cannot share information of any upcoming checks to be performed with any external source



Institutional & Organised

What do they do?

- Investigate large scale fraudulent activity and promptly investigate anything with high volume related to
- Advanced Learner Loans, CCP, HE & FE providers, Migrant Worker and pretty much anything else
- where we have identified a large number of student activity relating to any of the products.
- Although the investigations are usually picked up through groups of students linked to HEP's this can lead to investigations on all types of fraud.

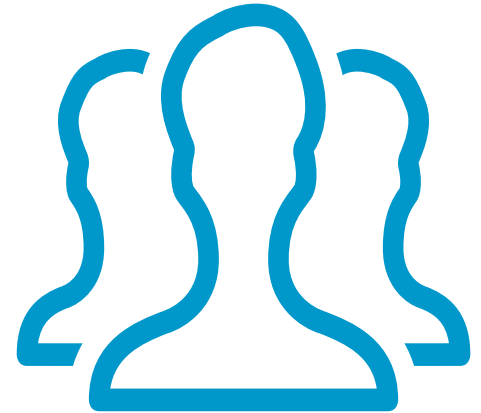


Case Study

Agency Applications

37 cases where referred from analysts due to various similarities in applications.

- During investigation, it became apparent that the applicants were using an agency to help them apply, but also to help them gather documentary evidence.
- A serious trend in the investigations was the use of false documents, often for residency evidence. We were able to have these confirmed as false.



Repayment Evasion

What do they do?

- Investigate accounts where a customer has submitted an Overseas Income Assessment Form as either third party support, travelling, volunteer work, or living from savings and is on a zero assessed schedule.
- The ultimate goal is to trace customers who reside and work overseas and ensure that they are in the correct repayment channel for their circumstances.



Case Study

Evading repayment

- Individual picked up by CFS as a sample check customer who returned home without giving an update of address and telephone number.
- During investigation we found evidence of the customer currently working for a Law Firm in Paris.
- We contacted the customer via email. Within 56 minutes they replied and within 48 hours the customer had repaid £3000 of the £7113.66 balance on the account.
- The customer is still repaying successfully.



2nd Tier Review Team

What do they do?

- 2nd Tier Review team basically work as a decision maker for our investigation teams, ensuring that the investigation has been carried out fairly and that all evidence exhibited confirms that a student has committed fraud.
- All cases investigated within CFS are passed to 2nd Tier Review once the case owner feels that they have enough evidence to prove that a student has committed fraud.
- 2nd Tier also help to identify individuals who are deliberate fraudsters against those who are more opportunists.



Sanctions

What do they do?

- Cases which meet specific criteria laid out in the *Prosecutions Framework* are then passed to the Fraud Sanctions Officer who will carry out a further review.
- The Sanctions Officer uses experience gained through previous referrals as well as links with Police, Action Fraud and the National Fraud Intelligence Bureau (NFIB) to decide if the Case should be escalated to be considered for prosecution.



Analytical Services

What do they do?

- Our analysts work constantly to routinely check and identify ever changing fraud trends within applications.
- Using this data, we can then implement solutions at the application stage.
- Any anomalies are investigated promptly.
- This may result in random sample checks being performed



Case Study

Trends are always changing...

- Detective work by investigators in SLC's Counter Fraud Services has led to the successful prosecution of a scammer who conned students into applying for funding they weren't entitled to.



Case Study

Trends are always changing...

- Waleed Mohamed, a former postgraduate student, approached university students and persuaded them they were legally entitled to more money. He claimed he worked for student finance services or had a contact there.



Case Study

Trends are always changing...

- SLC's Counter Fraud investigators became suspicious after spotting a spike in the number of students claiming they were living away from their parents' homes despite attending London universities.



Phishing

Thanks to our robust checks, we have seen a massive reduction in Phishing attacks on our students.

AY 2018/19	To Date
Saved / Accessed	£273,000
Lost	£10,400

Vulnerable Students

- During our decision making process we will consider if a students circumstances or potential circumstances could determine that they may be a vulnerable student.
- All of our cases are reviewed on an individual bases.
- We have used guidelines from the UK sentencing council & CPS to ensure that our investigations are fair & unbiased.



ASSOCIATION OF
CHIEF POLICE OFFICERS



CPS

Vulnerable Students

- We have a decision making tool which was formed from “The Association of Chief Police Officers” (ACPO) model.
- We are members of the Vulnerable Students Stakeholders Group who meet three to four times a year, depending on key consultation and information points within the service cycle.



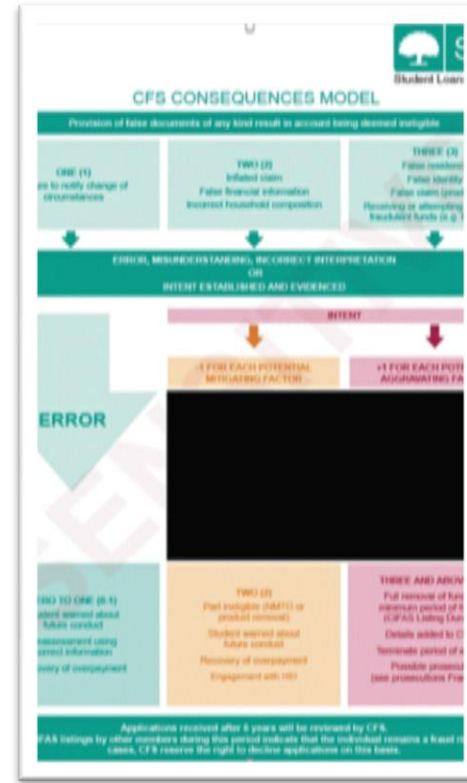
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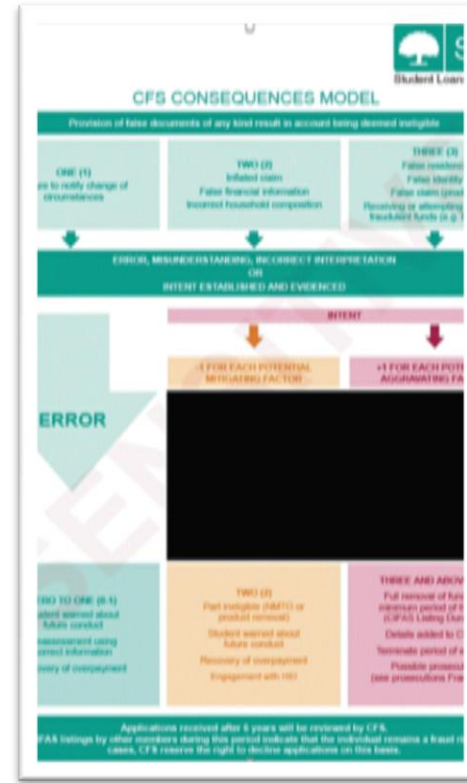
Overturing a fraud decision

- All investigators employ the Consequences Model when deciding the outcome of each investigation,
- If the student disagrees with the decision they have the right to appeal this decision



Overturing a fraud decision

- Stages 1 & 2 are managed by SLC's Formal Appeals team and, if the student fails to have the decision overturned at those points, Stage 3 is handled by a team of Independent Assessors, appointed by SLC to give a completely impartial view of the investigation and outcome.
- Beyond the steps outlined above, customers also have the option of approaching the financial ombudsman and/or taking the case to judicial review





HOW CAN I
HELP?

How this can impact you

- If tuition fees are clawed back from you this could result in the student then owing this money. You may incur further costs through chasing this debt.
- No payments are released to the student or HEP during the course of a fraud investigation
- Students may look for additional financial support if payments are blocked as a result of a fraud investigation
- Fraudsters not attending are targeting your students within your institution
- Risk of reputational damage



How this can impact you

- Be vigilant, ask questions and report any concerns to CFS (cfs@slc.co.uk)
- Process COC's quickly (withdrawals/ suspensions etc)
- Keep detailed records of attendance
- Reply to DPA requests with as much detail as possible
- If a student has received any communication from CFS requesting evidence, encourage them to provide the evidence as a matter of urgency
- During the induction you can warn students of the potential consequences of committing fraud



Counter Fraud Services



CFS@slc.co.uk



0141 243 3336



www.slc.co.uk

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Thank you