



Fraud Control in Emergency Management: COVID-19 UK Government Guidance

The Issue

The UK Government is responding with measures to mitigate the economic and social impact of the COVID-19 pandemic. Sadly, fraudsters will try to take advantage of these emergency measures. Government is committed to understanding these risks and taking action to reduce them, whilst dealing with the fraud that occurs where it can.

The fraud threat posed during emergency situations is higher than at other times, and all public bodies should be attuned to the risks facing their organisations and the public sector. Public bodies can reduce the threat of widespread fraud by integrating low-friction controls into payments where possible, and carrying out post-event assurance work.

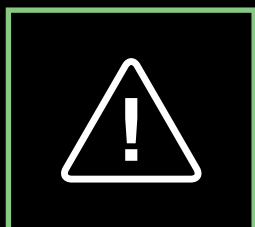
This guidance sets out key principles for doing so. All of those involved in the administration of measures as part of the response to COVID-19 should read this guide.

Who Is This Guidance For?

This is for leaders and fraud experts in government bodies and local authorities that are administering emergency programmes on behalf of the UK Government.

Overarching Principles

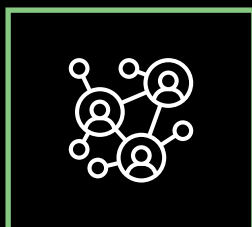
The following principles apply to effectively controlling the levels of fraud in emergency management contexts:



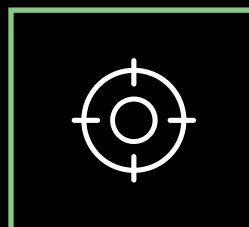
Accept that there is an inherently high risk of fraud, and it is very likely to happen.



Integrate fraud control resources (personnel) into the policy and process design to build awareness of fraud risks.



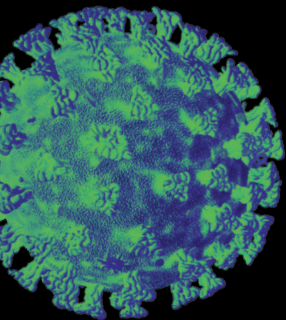
The business and fraud control should work together to implement low friction counter-measures to prevent fraud risk where possible.



Carry out targeted post-event assurance to look for fraud, ensuring access to fraud investigation resource.



Be mindful of the shift from emergency payments into longer term services and revisit the control framework – especially where large sums are invested.



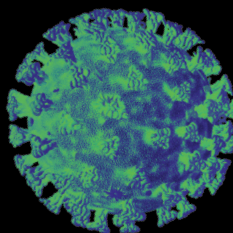
Imminent Threats to the Public Sector

The sophistication of fraud schemes are likely to evolve as the COVID-19 crisis deepens with the imminent threat being:

- ✓ **First party application fraud** (i.e. the risk that an applicant may misrepresent their circumstances to qualify for a government grant or scheme)
- ✓ **Third party impersonation fraud** (i.e. the risk that a third party may impersonate a business to extract grant funding from the government)

Principles for Effective Fraud Control

- ✓ Undertake a fraud risk assessment and continually scan for new threats and risks. You should share the threats and risks you identify with the COVID-19 Fraud Response Team
- ✓ Collect consistent data on who is applying and who you are paying. This should be in line with the Government Counter Fraud Function's minimum data specifications
- ✓ Put in place robust claw back agreements to be able to recover funds that are paid out incorrectly
- ✓ Implement upfront low-friction controls where possible including:
 - Electronic checks to identify and verify the applicant and/or business, including the beneficiary account
 - Use upfront fraud prevention clauses in application forms and processes (including call scripts) to make applicants aware of how their data will be used and what their legal obligations for grant funding are
- ✓ Make use of other available systems where it is feasible, including:
 - Government-wide fraud prevention tools (such as GOV.UK Verify, Spotlight, Appcheck by the National Fraud Initiative, or CIFAS)
 - Systems which already interface with other departments and agencies where data can be used to validate and substantiate claims or facts
- ✓ Develop a post-event assurance process to ensure funding is used for its intended purpose
 - Sample check high risk grant awards for fraud
 - Invoke claw back agreements and pursue recovery



CORONAVIRUS

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OTHERS &
THE NHS**

Further Guidance and Support



**Government
Counter Fraud
Function**

The Cabinet Office has formed a COVID-19 Fraud Response Team to assist the government with its counter fraud response. Requests for assistance should be emailed to:

covid19-counter-fraud@cabinetoffice.gov.uk

Further guidance on fraud in emergency management is available (search GOV.UK > International Public Sector Fraud Forum Guidance).