

# Fraud matters

Local Counter Fraud Specialists (LCFS) | 2019 Q1

**Welcome** to this edition of *Fraud Matters*, providing an update on the latest NHS fraud news. While the majority of people who work in or use the NHS are honest, fraud remains a serious issue. Fraud in the NHS diverts resources away from patient care, salaries and services. Your LCFS team aims to make people aware that fraud is being tackled.

## Fraud victims let down by inconsistent policing

**Some police forces are actively seeking reasons to drop investigations into fraud, a watchdog's report has warned.**

Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services said an "inconsistent" approach to policing fraud in England and Wales left the public at high risk of scams.

Police said "significant" work was under way to address the problems. While there were also examples of investigators providing victims with excellent service, the report said gun crime, child sexual exploitation and drug supply were more likely to be prioritised. One analyst told inspectors: "Everything is against fraud. It is not a priority, not sexy, people don't report it and it is difficult to prove, which takes time, resources and money."

It concluded many fraud victims are not receiving the level of service they deserve. Wayne May, founder of Scam Survivors, a website dedicated to exposing fraudsters and helping victims, said he can "sympathise with the police." Mr May explains that fraudsters often operate in different countries, so although a victim could "lose everything they have", it would "cost much more to try and investigate it."

HM Inspector of Constabulary Matt Parr said stronger "strategic leadership" was needed. "Without that leadership the current situation will continue, with fraudsters feeling like they can act with impunity and victims feeling confused and disillusioned," he said.

Cdr Karen Baxter, national police co-ordinator for economic crime, acknowledged there are areas that need improvement across policing. She said: "A significant amount of work has already started to address some of the issues raised in the report."

*Source: BBC news April 2019*

## Defrauded NHS trust is paid back £1.2m under POCA

**A payment of £1.2 million has been received by Lincolnshire Partnership NHS Foundation Trust, as a result of a Proceeds of Crime compensation order and collaboration between agencies to tackle fraud.**

Operation Tarlac, led by Lincolnshire Police Economic Crime Unit (ECU), closely assisted by the national NHS counter fraud service, revealed that a criminal group defrauded £12 million from various public bodies including a number of NHS bodies, councils and housing associations around the UK. The fraudsters employed forged letters, emails and faxes to masquerade as a legitimate firm and divert payments to themselves.

The international nature of the case went further: funds were laundered through business accounts in the UK, Dubai, Turkey and Poland and some of those funds were later moved back to the UK. Operation Tarlac began back in September 2011, with a complaint of fraud from Lincolnshire Partnership NHS Foundation Trust. A payment to a building firm of £1.28 million towards a new mental health rehabilitation unit had gone missing. A further 20 linked offences and total losses of £12.6 million suffered by various parties were identified. In sentencing, Judge Philip Head, described it as a "sophisticated and widespread fraud in its conception and execution" with the loss falling on the tax payer.

Sue Frith, Interim CEO of the NHS Counter Fraud Authority, said today: "I commend the excellent work by Lincolnshire Police. Close collaboration between the NHSCFA, police forces and other authorities is vital to root out NHS fraud, especially by professional criminals. These recoveries for the NHS, and the original investigation, are good examples of how NHS counter fraud work helps to curb crimes against the taxpayer even beyond the NHS."

*Source: NHS CFA website. April 2019*

The estimated loss to fraud in the NHS is over £1.25 billion each year. This equates to **408,000 hospital beds**

To report NHS Fraud call **0800 028 4060**  
**[www.cfa.nhs.uk/reportfraud](http://www.cfa.nhs.uk/reportfraud)**

**NHS fraud. Spot it. Report it. Together we stop it.**



# Court orders NHS fraudster to pay back over £30k

**A convicted NHS fraudster could face an extra nine months in jail if he fails to pay back £30,720 to the hospital he stole from.**

Croydon Crown Court ordered former dialysis manager Alan Hodge to pay back the funds he took while working for Epsom and St Helier University Hospitals NHS Trust. Hodge was originally found guilty of fraud in 2016 and is currently serving a four-year prison sentence.

The NHS Counter Fraud Authority carried out a financial investigation and took the case to the Croydon court under the Proceeds of Crime Act 2002. The authority found that Hodge, of Sutton, Surrey, had £30,720 of available assets, including his £30,000 share of his former home and a £720 scooter.

He has been given three months to make the payment, which will be ploughed back into the NHS. NHSCFA said it will now "continue to explore all other avenues to recover the money taken, including working with NHS Pensions to consider accessing the financial value of Hodge's NHS Pension Scheme." Richard Rippin, head of operations at NHSCFA, said: "We are delighted that

the money he [Hodge] defrauded is finally going back to NHS funds. "But our action will not end here, and we continue to pursue the remainder of the money originally intended for patient care that he diverted into his own accounts.

"This action serves as a clear reminder that those who seek to take money from the NHS will not only be brought before the courts to answer for their fraudulent activity, but they will also be pursued to ensure that every available penny is returned back to the NHS where it belongs."

While the renal technical department manager at Epsom and St Helier NHS Trust, Hodge awarded contracts to three company owners who colluded to inflate invoices for work. The work carried out was sub-standard and sometimes not completed at all, the NHSCFA said.

Hodge and his accomplices were sentenced in December 2016 following an investigation by both national and local NHS fraud investigators. They were given jail sentences totally 10.5 years.

*Source: BBC news- April 2019*

## "NHS fraud. Spot it, report it, together we stop it"

If you suspect that anyone is committing fraud or another economic crime against the NHS, tell NHSCFA about it - you can call our 24-hour, confidential reporting line 0800 028 40 60 or use our online reporting tool

### Meet your counter fraud team

Contact your local counter fraud specialist team in absolute confidence:



**Tasnim Putwa**  
M: 07739 875923  
E: [tasnim.putwa@nhs.net](mailto:tasnim.putwa@nhs.net)

*"We're here to talk about any concerns you may have about fraud and corruption, or just happy to discuss why fraud is a big issue for the NHS. Never be afraid to give us a call."*



**Juliette Meek**  
M: 07802 658845  
E: [Juliette.meek@nhs.net](mailto:Juliette.meek@nhs.net)



Lenka Carbonell  
Marvan



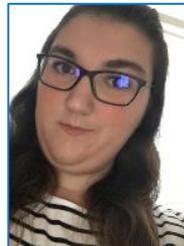
Katie Hrano



Dominique  
Lord



Neil Mohan



Becky Park



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**Spot it. Report it.**  
**Together we stop it.**