

Minutes of Derby Medical Society Meeting 4th December 2019

Derby Medical School Lecture Theatre

Apologies

Susie Hewitt

Alistair McCance

Helen Lever

Jane River

John Hogkins

Notices

Bursary applications now closed.

Poster and case applications still open and will be presented on 15th January 2020

Countering Fraud in the NHS

Craig Bevan-Davies and Liz Coleman

Speakers

Liz is a lead counter fraud specialist and Craig assistant director in anti crime services. Liz has 11yrs experience in counter fraud. Was fraud and compliance manager and has been in NHS for the last 3 yrs. Has specialised fraud assessment.

Craig worked in private and public sectors as well as internationally in Australia. He has looked into fraud corruption, security issues. Craig also has significant experience in internal and external investigations as well as financial crime policy and framework.

Fraud within the NHS is estimated to cost £1.27bn and equates to 715,000 ECG monitors, 408,000 hospital beds and 22,000 GPs. This is based on data from NHS fraud team who extrapolate the data.

Liz and Craig look at detecting fraud and mitigating it's consequences.

Fraud Act of 2006

Fraud has a legal definition which includes acting dishonestly, intention to make a gain for themselves or another and intention to inflict loss or risk of loss on another. ALL of these

components need to be present to meet the standard of being fraud. This act also includes an element of risk of loss rather than actual loss particularly in relation to organised crime.

False representation:

Claiming for enhanced hours when not worked.

False declaration:

Signing a document when it is untrue

Abuse of position of trust:

When you are a member of society or organisation where you are in a position of power or trust.

Cressey's fraud triangle

Motivation / rationalisation / opportunity – this is one of the most reputed studies in fraud. Vast majority committed by first time offenders.

Motivation:

Is usually financial and due to an outside force e.g. holidays and new house, new car etc. Affluent financial pressures.

With the financial crisis, these factors changed and motivation became financial pressures in terms of paying bills, redundancy etc.

Opportunity:

Liz concentrates on this factor the most because there is a gap in a process or policy which means that non-adherence causing a loss. E.g. a line manager doesn't check something when he should. Liz looks for those gaps and looks at stopping them.

Rationalisation:

We rationalise the impact of something which can cause loss to them. E.g. getting extra money from a cash point compared to be given more money in change than you should do. This is the same process that commit NHS fraud because they rationalise that there won't be a direct impact on anyone. There is little that can be done to intervene in this.

Bribery

There was a change in law in 2010 and important changes were where the point of crime occurred. Previously there had an actual tangible transaction. The new law covers the fact that a crime is committed when the offer is made irrespective of if it was actually carried out.

The 2nd factor is a corruption element. Anyone who is associated with an organisation and takes part in this activity can be charged with conspiracy. If a company knows their associate is partaking in this activity, the board can also be taken into account and be charged.

Corruption

This is a form of bribery and includes nepotism, collusion and abuse of power or position. Corruption does not always result in a loss and the corrupt person may not always benefit directly.

There are three main areas of NHS fraud

1) Staff fraud

The largest area of NHS fraud is staff fraud.

The main reason for this is because there are cash payments made and staff are the largest outlay. NHS is a advantageous company to work for because you often get a job that will last as long as you want the job.

Liz then went through 2 cases of staff fraud.

2) Patient fraud

This is a diminishing area. NHS fraud team have worked hard to stop this happening. There are repeat offenders but now a new form of fraud which is based in organised crime.

Patients are now falsely claiming injuries against the NHS.

3) Third party fraud

This encompasses organised crime, large scale fraud which target procurement teams. The new area of this fraud is now targeting specific staff members which is when these people get an email to log into ESR account to update their details. The ESR log-in will be used and change bank details before diverting the pay. This is currently occurring. The escalation to this process has shown that the password for the ESR account and the email address is the same.

What do the team look for in their investigations

- Separation of duties
- Lack of records or transaction history
- Lack of due diligence

- Inadequate control environment
- Non-documented procedures
- High turnover

Craig then talked about the advancement of fraud and in particular cyber crime:

This is now because organised crime is targeting specific individuals.

This area moves on quickly and moves with technology advancement which makes it difficult to detect and the law takes even longer to catch up.

Phishing is the crime of getting details fraudulently with the aim of stealing identification, promise of winning prizes. It also includes the download of malware.

What to look for

- Too good to be true
- Sense of urgency
- Hyperlinks
- Attachments
- Unusual sender

A common email is that the NHS account will be suspended unless you act quickly. Also occurs with iTunes accounts. A hyperlink is usually within the email and the fraudsters will have a fake front and will target you to obtain your information.

“Think before you click”

Craig has looked at NHS generated phishing emails and noticed that staff clicked through the phishing links at 9-9.30am and this was across all staff groups.

Craig then went through an example of attempted fraud involving a Nigerian astronaut who has been stranded in space for 14 years..! 61% of these type of frauds actually originate in the USA, UK is second and Nigeria accounts for 6%.

This type of fraud goes back to the 18th century but in an entirely different form. It usually involved an aristocrat who is rich but imprisoned somewhere and needs money to get out before getting a share of the riches when he is able to return home.

Craig then talked about the social media imprint we all have irrespective of whether we have social media accounts or not. As investigators, they have free access to information to find out about the people they are investigating.

There are ways to protect your information.

Fraud is now involving social engineering because they find out about you and your life. Whilst we may protect ourselves, our family and friends are not so cautious and there is a vast amount of data available for public consumption.

There is an increased rate of “sextortion” – this is essentially blackmail with intimate photos / videos which is causing some deaths due to the distress being caused. Doctors are also being targeted in this way and they are being blackmailed for controlled drugs or money.

Questions then taken from attendees.

Summary:

Craig Bevan-Davies and Liz Coleman gave an insightful presentation about the various types of fraud affecting the NHS.

The take home points were:

- 1) There are three main areas of fraud - patient fraud, staff fraud and third party fraud.
They all have Cressey's fraud triangle in common.
- 2) Think before you click.
- 3) Beware the Nigerian prince or astronaut.

Register

Members 13

Students 10

Guest 1