

02 February 2022

[REDACTED]
[REDACTED]

Tēnā koe [REDACTED]

Your Official Information Act request, reference: GOV-015023

Thank you for your email of 1 November 2021, asking for the following information under the Official Information Act 1982 (the Act):

I am writing to request information about ACC's work around fraudulent claims and the resulting action.

I am requesting data for the following financial years:

- * 2000/1
- * 2005/6
- * 2010/11
- * 2015/16
- * 2018/19
- * 2019/20
- * 2020/21

I have asked for multiple years over an extended period in an attempt to seek context/trends. If you do not have information available for some of those periods, or the way data was captured/defined changed over that period, I'm happy to discuss refining my request as soon as practicable.

For each of those years, I'm trying to find out:

- * The number of complaints received
- * The number of complaints that led to formal investigations
- * The number of investigations that led to prosecutions
- * The number of prosecutions that led to convictions
- * Convictions broken down by ethnicity
- * The total value of the offences prosecuted
- * The total value of any monies recovered
- * The number of investigative staff
- * The budget of the investigative unit
- * The amount spent on external legal counsel

I would also like some background on how your process works - for example, I know the SFO has a two-stage investigation process. Is that the same at the ACC? How are complaints assessed?

ACC's Integrity Services Team

ACC's Integrity Services team protects the integrity of the ACC scheme by monitoring fraud, waste and abuse¹, and reducing the risks associated with each.

The Integrity Services team, established in 2014, was earlier known as the Investigation Unit (up to 2014) and Fraud Unit (up to 2007). The previous units were more assumptive, reactive and had a greater focus on investigation and prosecution. With the establishment of the Integrity Services team, ACC has moved to a proactive model which embodies a prevention first approach to identify and intervene as quickly as possible. This attempts to drive positive changes in client behaviour.

¹ Fraud - any unlawful act or omission, made with an intent to gain advantage for yourself or another

Waste - any careless act or omission, that results in an advantage contrary to policy, practice, or procedure

Abuse - any negligent act or omission, that results in an advantage for yourself or another through abuse or policy practice or procedure).

Integrity Services' goal is to ensure public trust and confidence in the Accident Compensation Scheme through visibility, timeliness, and appropriate management of serious or fraudulent behaviour.

How the integrity investigation process works

The first step is for a referral to be made to ACC's Integrity Services team. Members of the public can do this by completing an online form at <https://www.acc.co.nz/contact/report-fraud/report-suspected-fraud/>, by phoning the 0508 ACCFRAUD reporting number or by raising a written complaint via ACC's Integrity Services or Customer Resolutions teams. Members of staff can also utilise the OK2Say service or raise their concerns with the Company Disclosures Officer. Further information on ACC Fraud can be found at www.acc.co.nz.

Integrity Services also use analytic capability to identify potential fraud, waste and abuse, including potential risk in specific areas. One area of focus for ACC's data models includes ACC clients receiving weekly compensation and additional earnings identified through data matches. Any potential risks identified by ACC's analytical model results in an alert which is prioritised based on potential risk (low, medium and high).

All alerts and referrals are assessed and considered by Integrity Services staff for further action. Where initial assessments determine the presence of suspected fraud, waste or abuse, the referral will be explored further. Integrity Services take an explorative approach when making further enquiries on a referral, which involves open and transparent conversations with clients. Such conversations often allow Integrity Services to determine the absence of fraud, waste and abuse without the need for further intervention or formal investigation.

Integrity Services use a graduated response (e.g. intervention or investigation) based on the circumstances of each claim to determine the best resolution proportionate to the behaviour. Resolutions range from self-correction (e.g. voluntary cessation of weekly compensation) through to more traditional outcomes including civil recovery proceedings or prosecution.

Limits on data held by ACC

Due to the way the requested data is captured, recorded, and held by ACC, there are limitations on the historical data available. Except where explicitly provided below, ACC is unable to provide data in response to your request for the 2000/1, 2005/6 and 2010/11 financial years. This is because prior to 2014/15 (when our current recording system was implemented) our data was not centralised and was instead spread throughout various storage systems. The system was not built to capture all the information we now capture. Therefore, we are refusing your request for data for those specific financial years under section 18(e) of the Act, as despite reasonable efforts, it cannot be located.

Number of complaints, formal investigations, prosecutions and convictions

We've interpreted 'complaints' to be for the number of referrals made to Integrity Services relating to potential or alleged fraud by ACC clients receiving weekly compensation.

The following table provides the total number of referrals made to Integrity Services and the number of formal fraud investigations, prosecutions, and the value of the offences prosecuted, broken down by financial year.

Financial year	Referrals	Formal investigations (fraud only)	Prosecutions	Total value of offences prosecuted (excl GST)
2015/16*	No data available	71	<4	\$397,283
2016/17	No data available	56	<4	\$408,703
2017/18	No data available	52	<4	\$52,488
2018/2019	697	24	<4	\$73,177
2019/2020	981	14	0	\$0
2020/2021	1037	16	0	\$0

**Partial year: This data was not recorded prior to 2016 due to limitations on ACC systems. A system update enabled this data to be captured from 2016 onwards and therefore this data is reflective of a partial financial year from 1 January 2016 – 30 June 2016 only.*

Prior to 2018/19, the total number of referrals received relating to client fraud were not recorded due to limitations on our systems at that time. Therefore, we are unable to provide you with the total count of referrals received in the 2015/16 - 2017/18 financial years as the information does not exist. As such, we are refusing this part of your request under section 18(e) of the Act.

Notes about the data

- All of the above cases of client fraud that led to prosecution resulted in a conviction.
- The formal investigation and prosecutions figures do not include:
 - Cases which are currently under active investigation or are before the courts (i.e. there is not yet a final outcome on the case)
 - Cases that were resolved through different resolution pathways (formal warnings, debt recovery, penalties etc)
 - Confirmed cases of waste
 - Confirmed cases of abuse
- ACC does not routinely disclose low value numbers related to claims. Accordingly, some of the values above only indicate that the number is less than 4 (denoted as <4). This limits the potential for particular individuals, or matters specific to certain individuals, from being identified. Withholding in this way is necessary to protect the privacy of these individuals under section 9(2)(a) of the Act. In doing so, we have considered the public interest in making the information available and have determined that it does not outweigh the need to protect the privacy of these persons.
- Those cases resulting in conviction involved clients of NZ European/Pākehā, Māori and Tongan ethnicity. We have chosen not to provide exact numbers relating to ethnicity as in each instance the value is less than 4.
- ACC ethnicity data is prioritised, meaning that a claim can only have one ethnicity based on their selections on the ACC45 claim lodgement form. A maximum of six ethnicities can be chosen by the clients but the system prioritises these. For example, where clients identify as Māori they are classified as Māori regardless of any other ethnicities they select; Pacific peoples with any responses other than Māori are classified as Pacific; Asian peoples with any responses other than Māori and Pacific are classified as Asian; and other ethnicity regardless of any responses other than Māori, Pacific or Asian are classified as Other. Those that listed European and did not list Māori, Pacific, Asian or Other are classified as European.

The total value of any monies recovered

The following table provides the total value of all monies recovered from clients where ACC has sought repayment for client fraud (e.g. debt confirmed, penalties), excluding monies relating to prosecution cases, broken down by financial year.

Financial Year	Value
2015/2016*	\$398,122
2016/2017	\$106,557
2017/2018	\$627,079
2018/2019	\$282,570
2019/2020	\$130,819
2020/2021	\$555,589

**Partial year: This data was not recorded prior to 2016 due to limitations on ACC systems. A system update enabled this data to be captured from 2016 onwards and therefore this data is reflective of a partial financial year from 1 January 2016 – 30 June 2016 only.*

Integrity Services staff, annual budget, and external legal counsel spend

The following table provides the total FTE count of investigative staff across the indicated financial years, the annual budget for Integrity Services (previously known as the Investigation Unit), and the external legal counsel spend.

It is important to note the operation of the group has several different functions and key deliverables beyond investigations/interventions and therefore the below financial information should not be attributed solely to the investigations and interventions, but rather Integrity Services as a whole.

Financial Year	Staff count	Annual budget	Annual external legal counsel spend (excl GST)
2010/2011	No data available	\$ 4,928,155	No data available
2015/2016	40	\$ 5,834,457	\$89,515
2016/2017	35	\$ 5,978,304	\$127,510
2017/2018	28	\$ 5,517,056	\$215,944
2018/2019	28	\$ 5,762,636	\$267,716
2019/2020	33	\$ 5,856,412	\$187,022
2020/2021	30	\$ 5,180,858	\$133,938

Notes about the data

- Staff numbers reflect the average FTE taken over the year. An average is provided to account for any differences in the number of employed staff within the team at any given time during the year (e.g. staff numbers in July may differ to those in December). These differences are due to recruitment and staff turnover.
- ACC's finance system does not hold data related to staff numbers or legal spend prior to 2015 as the record retention requirements for such information does not exceed 7 years. We are therefore refusing to provide this information for the 2010/2011 financial year in line with section 18(e) of the Act.

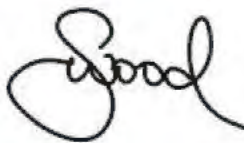
Who to contact

If you have any questions about this, you can email me at GovernmentServices@acc.co.nz. Alternatively, if you have any further questions specifically related to Integrity Services or the above data, you may wish to contact Chloe Muller, Business Advisor Integrity Services at chloe.muller@acc.co.nz.

As this information may be of interest to other members of the public, ACC has decided to proactively release a copy of this response on ACC's website. All requester data, including your name and contact details, will be removed prior to release. The released response will be made available [here](#).

If you are not happy with this response, you have the right to make a complaint to the Ombudsman. Information about how to do this is available at www.ombudsman.parliament.nz or by phoning 0800 802 602.

Nāku iti noa, nā



Sasha Wood
Manager Official Information Act Services
Government Engagement & Support