

LCFS NEWSLETTER

Your Counter Fraud Service

February 2016

In this issue:

Special points of interest:

- [Fraud Quiz](#)
- [Contact details for your LCFS](#)

Please report any concerns or suspicions you may have. You will be helping to protect NHS funds.

On page 1:

- [Doctor jailed for four years for NHS fraud](#)

On page 2:

- [Why people commit fraud](#)

On page 3:

- [Getting Tough on Prescription Fraud](#)
- [The Great Fraud Survey 2016](#)

On page 4:

- [Fraud quiz](#)
- [Your LCFS's contact details](#)

Doctor jailed for four years for NHS fraud

A heartless doctor thought to have carried out the largest one-man fraud on the National Health Service, was jailed for four years today.

Dimitri Padelis, 45, may have pocketed up to £4 million by "systematically" swindling hard-pressed health trusts with thousands of bogus invoices from a string of firms that specialised in supplying hospital locum stand-ins.

Eventually, his double billing, overcharging, and inflated expense claims spread "like a secret cancer" across the country, infecting one hospital after another.

He relied on the fact that many hospital accounts departments were understaffed, overworked and, often, too inefficient to realise they were being defrauded, London's Southwark Crown Court was told.

Even children's hospitals were not safe from him.

Amongst the hardest hit was London's Great Ormond Street. It was targeted 90 times, and lost more than £12,000 from the budget used to treat patients and cut waiting times.

Passing sentence Judge Jeffrey Rucker told the disgraced doctor of Bradley Road, South Norwood, south London, that the evidence against him had been overwhelming.

"There was such a strong element of systematic conduct and although it may have been difficult to spot, once you had spotted it was there and very clear to see ... In short you had no answer to these charges."

He went on: "There are two bullet points in this case which makes it such a serious one. If there is one thing in the last 10 years that has concerned almost every person eligible to vote and others besides in this country, it is the National Health Service and the funding of it.

"You, seeing the weakness in the accounting procedures of the trusts, chose to defraud that system out of greed for yourself and your family."

Why People Commit Fraud



The Fraud Triangle created by Donald R. Cressey lists the factors that when present can increase the risk of work place fraud occurring. The three areas are:

Rationalisation - justifying the crime

Before carrying out a fraud, criminals try to justify their actions by making them seem less harmful. Examples of this are:

- Where the fraudster has not had a pay rise for several years and feel they deserve more; or
- Where they steal a small amount from petty cash that they feel will not affect anyone.

Opportunity - likelihood to get away with the fraud is high

The opportunity to commit fraud is usually higher when there are weaknesses or loopholes within the system. This means it may be easier for the fraudster to get away unnoticed.

Weaknesses may include lack of authorisation on timesheets and expenses, or lack of staff fraud awareness and training. Another factor may be if less people are in the office - an indicator of fraud may therefore be if employees don't take their annual leave or stay extra hours even though their workload does not require this.

Motivation - the incentive

There may be various reasons why criminals commit fraud. This can range from a personal or financial gain to work pressure to hit targets. Even so, the motivation behind fraud always involves a personal gain or to cause loss to another. A recent example is where a doctor stole over £62,000 from the NHS in order to hit targets and increase payments from the NHS to his practice. He falsified documents and manipulated the practice's patient records system over 7,000 times in order to hit financial targets.

An Increase in Prescription Fraud Controls Has Been Heavily Criticised

The government plans to strengthen checks on free over the counter prescriptions have been heavily criticised by pharmacists.

By 2018 a new database will be put in place stating all pharmacists will have to check before handing out free prescriptions. Ministers say that this could save up to £150million annually; money that will be re-invested in the NHS. However, the Royal Pharmaceutical Society has rebutted this claiming the proposed new systems will harm patient trust.

At present pharmacies are heavily reliant on people's good nature. The public have to either present an exemption certificate or sign the back of the prescription form to show that they are exempt from any charge. NHS Business Service Authority conduct checks on the exemptions to identify if the eligibility is legitimate and the prescription is free of charge, however as these checks are after the medicines have been dispensed, no recovery can be made.

Around 90% of prescriptions given out each year are free. Despite this, it is estimated that around 30 million items carrying a purchase value of around £237 million are falsely claimed each year. Health Minister Dan Poulter believes that it is time to get tough on those fraudulently claiming. He said "Claiming a free prescription when you are not entitled takes money away from other frontline patient services, and reduces the amount of money available to spend on patient care."



The Great Fraud Survey 2016

The LCFS Annual Fraud Survey will commence in February.

A key aspect of our role as Local Counter Fraud Specialists is to raise fraud awareness and promote an anti-fraud culture within the CCG. This survey has been designed so that we can determine where we need to focus attention in spreading the counter fraud message. Look out for an email detailing how to take part; there is a deadline so please complete this as a matter of priority.



Fraud quiz!

1. The estimated loss to NHS due to fraud annually is:
 - a. £263 million
 - b. £133 million
 - c. £96 million
2. What was the most prevalent type of fraud reported to NHS Protect last year?
 - a. Mandate fraud (when a fraudster impersonates a regular supplier and convinces the accounts payable team to redirect the organisation's finances into their own account)
 - b. Procurement fraud
 - c. Payroll fraud
3. Which of the following should you do if you suspect fraud?
 - a. Report suspicions to the Local Counter Fraud Specialist
 - b. Try to investigate yourself
 - c. Discuss concerns with other staff and colleagues

Quiz Answers: 1A 2C 3A

Your Counter Fraud Contacts



Brendan Harper LCFS

Tel: 07917 790112

brendan.harper@mazars.co.uk or

brendan.harper@nhs.net



Shelly Rai LCFS

Tel: 07788 301124

Shelly.Rai@mazars.co.uk or

Shelly.rai@nhs.net

Report NHS fraud
0800 028 40 60
NHS Protect