

The Fight against Welfare Fraud in Sweden*

Sara Yarden, LL.M. (Lund University)
8 Naomi Street
Jerusalem 93557
ISRAEL

sarayarden@gmail.com

Moshe Maor
Wolfson Family Professor of Public Administration
Hebrew University of Jerusalem
Mount Scopus
Jerusalem 91905
ISRAEL

msmaor@mscc.huji.ac.il

March, 2014

* The authors acknowledge the support of the Levi Eshkol Institute for Economic, Social, and Political Research at the Hebrew University of Jerusalem, and the Fritz Thyssen Stiftung (Az 10.11.2.132). They thank Charlotta Örn for useful comments.

Abstract. Over the last decade there has been growing public interest in the fight against welfare fraud in Sweden, leading to the establishment of the Commission against Benefit Fraud and Errors in 2005. The commission determined that the scale of welfare fraud in Sweden was nearly SEK 10 billion. This estimate, which amounted to 4% of social security benefits during 2007, has been corroborated by the Social Insurance Agency. A recent study based on expert assessment has estimated that the figure may range between SEK 4 and 29 billion. Based on a historical-institutional perspective, the paper analyzes this process and explains variations in the fight against welfare fraud among different administrative agencies; within the regional branches of agencies, and among law enforcement agencies. It focuses on the ways the main actors in the fight against welfare fraud implement the key policy in this field which centers on prevention, that benefits should be correct from the start, and includes the introduction of special control staff for investigations of suspected benefit fraud in the Social Insurance Agency and the National Board of Student Aid. The lack of comprehensive data regarding the fight against welfare fraud in Sweden inhibits quantitative analysis as well as comparison with other countries.

Introduction

Over the last decade there has been growing public interest in the fight against welfare fraud in Sweden, leading to the establishment of the Commission against Benefit Fraud and Errors (*Delegationen mot felaktiga utbetalningar, "FUT-delegationen"*) in 2005. The commission determined that the scale of welfare fraud in Sweden was nearly SEK 10 billion.¹ This estimate, which amounted to 4% of social security benefits during 2007, has been corroborated by the Social Insurance Agency.² A recent study based on expert assessment has estimated that the figure may range between SEK 4 and 29 billion.³ In response, the government assigned the National Financial Management Authority (*Ekonomistyrningsverket, ESV*) to coordinate a cooperative project, including the benefit administering agencies, local authorities, unemployment insurance funds and others, aimed at developing methods to prevent erroneous payments, and to streamline the collection of relevant data. Furthermore, in 2007, a new Benefit Crime Act (BCA) (*Bidragsbrottslagen 2007, Law No. 612*), aimed at reducing erroneous payment, was approved by parliament. By mid-2012, all agencies involved in the fight against welfare fraud and erroneous payments, except for the Pensions Agency (*Pensionsmyndigheten*) which had only been established in 2010, had formulated guidelines for risk analysis, pre- and post-payment fraud control and procedures for reporting suspected benefit fraud to the police.

Based on a historical-institutional perspective, the paper analyzes this process and explains variations in the fight against welfare fraud among different administrative agencies; within the regional branches of agencies, and among law enforcement agencies. It focuses on the ways the main actors in the fight against welfare fraud implement the key policy in this field which centers on prevention, that benefits should be correct from the start ("*rätt från början*"), and includes the

introduction of special control staff for investigations of suspected benefit fraud in the Social Insurance Agency (*Försäkringskassan*) and the National Board of Student Aid (*Centrala studiestödsnämnden*, CSN). The lack of comprehensive data regarding the fight against welfare fraud in Sweden inhibits quantitative analysis as well as comparison with other countries.

The analysis proceeds as follows. The initial section presents the institutional background, namely, the legal contexts and administration of the various welfare benefit schemes. The second presents the historical context. The third section delves into the process of fighting welfare fraud, focusing on the role of the police, insurance funds, the National Board of Student Aid, the municipal social services, the Public Employment Service, and the Unemployment Insurance Funds. The fourth explains variations in the fight against welfare fraud among different administrative agencies within regional branches of given agencies, and among law enforcement agencies. The fifth part elaborates on a case study of the Social Insurance Agency, which is the main organization in the fight against welfare fraud, and the final section presents the analysis conclusions.

Institutional Background

Legal Background

The enactment of the BCA in 2007 can be considered a watershed in the fight against welfare fraud in Sweden. Previously, there was no designated law specifically addressing benefit fraud. Benefit fraud was covered by the general provision regarding fraud in the Penal Code (*Brottsbalken* chapter 9, section 1). The legal definition of fraud was as follows: “*If a person by deception induces someone to commit or omit some act which involves gain for the accused and loss for the*

deceived or someone represented by the latter, imprisonment for at most two years shall be imposed for fraud".⁴ When applied to welfare fraud, this meant misleading a welfare agency, thereby causing the agency to act in a way that led to gain for the misleading person and to loss for the body which was misled. Misleading acts did not have to be active deeds, such as providing false information. They could also include omitting information because when necessary information about changed circumstances was not provided, the agency paid compensation on incorrect grounds. Unintentional failure to provide correct information was not considered fraud. It was however considered a crime to unintentionally report false information in writing (or to withhold vital information) when signing "on your honor" that the information provided was correct.⁵ This provision was not very frequently used for benefit fraud. Furthermore, not all benefit applications required a written statement "on your honor".⁶ Unintentional failure to report correct information in these cases was not criminalized.⁷

In an attempt to reduce the level of erroneous welfare payments, a new Benefit Crime Act was passed and entered into force on August 1, 2007. According to the BCA, when receiving a benefit from certain enumerated agencies, anyone who provided incorrect information or failed to report a change in circumstances that s/he had been obliged to report, causing a financial benefit to be paid incorrectly, or too high an amount to be paid, had committed a benefit crime. The risk of such payment was sufficient for the act to be considered a crime. In addition, it had previously been cumbersome for the police or the agency to show that information about the obligation to report changed circumstances had been given to the beneficiary -- and if it couldn't be proven, then intent was lacking. However, after the approval of the new law, intent was assumed since the obligation to report changed circumstances

was prescribed by law. The law is limited to personal benefits, so benefits given to companies employing the formerly unemployed are not covered by the law. In such cases, the general provision regarding fraud in the Penal Code (*Brottsbalken* chapter 9, section 1) applies. The BCA is applicable to benefits administered by the Social Insurance Agency, the Pensions Agency, the National Board of Student Aid, the Migration Board (*Migrationsverket*), the Public Employment Service (*Arbetsförmedlingen*), the unemployment insurance funds (*arbetslöshetskassorna*, “*A-kassorna*”) and the municipalities.

According to the law, there are four levels of fraud. First, the aggravated crime, committed repeatedly and with intent (for instance, false documents) and resulting in large erroneous payments (more than SEK 200,000). The aggravated crime is punishable by up to four years imprisonment. Second, lower amounts (between SEK 1,500 and 200,000) are counted as a normal-degree crime with up to two years imprisonment. Third, when the paid amount is low (up to SEK 1,500), it entails punishment of up to six months imprisonment or fines. Fourth, persons who have consciously acted with gross negligence when providing information to the administering agency, or who have purposefully not reported changed circumstances, can be sentenced to up to a year's imprisonment or fines. Smaller amounts of fraudulent payments are not punishable. A person who voluntarily corrects information before an erroneous payment has been made will not be sentenced. The benefit administering agencies are obliged to report any suspicion of benefit fraud to the police or to a prosecutor, but only after a preliminary investigation has indicated the existence of intent or gross negligence.⁸ In addition to the BCA, another law⁹ obligates certain agencies, municipalities, and unemployment insurance funds, in the

event that they come across suspected erroneous payments in the course of their work, to report the suspect transaction to the agency that has carried it out.¹⁰

The Administration of Welfare Schemes

Welfare benefits in Sweden can be divided into five groups: social insurance benefits, labor market benefits, student aid, municipal benefits, and benefits for refugees and immigrants. Most benefits are derived from social insurance payments and are governed by the Social Insurance Code (*Socialförsäkringsbalken* 2010, 110) and administered by the Social Insurance Agency (*Försäkringskassan*). The largest social insurance benefit in terms of the amounts paid is the old-age pension (*ålderspensionen*) which is administered by the Pensions Agency. Other major social insurance benefits include sickness- and activity compensation (*sjuk- och aktivitetsersättningar*), sickness benefits (*sjukpenning*), parental benefits (*föräldrapenning*) and child allowances (*barnbidrag*); all administered by the Social Insurance Agency.¹¹ The largest labor market benefit is unemployment insurance, which is administered by the unemployment insurance funds (*A-kassorna*). The Public Employment Service (*Arbetsförmedlingen*) determines eligibility for unemployment benefits, but the unemployment insurance funds pay this benefit. The Public Employment Service also administers some other minor benefits. Student aid is administered by the National Board of Student Aid (*Centrala studiestödsnämnden*), the social assistance¹² (*socialbidrag/ekonomiskt bistånd*) by the municipal social services, and the aid to asylum seekers by the Migration Board (*Migrationsverket*).¹³

Table 1 about Here

Table 1 indicates that welfare benefits in Sweden are administered by numerous bodies which greatly vary in the benefits they administer (ranging from 1 to 28), their staff levels (ranging from 535 to 8000) and the number of special fraud control investigators and specialists they employ (ranging from 0 to 158).¹⁴ Five government ministries are responsible for the agencies, and budget allocations are processed in seven different parliamentary committees.¹⁵ Because each agency independently undertakes activities aimed at fighting welfare fraud, it is very difficult to obtain consolidated data regarding the fight against benefit fraud.

Historical Background

The debate about benefit fraud began in Sweden in the mid-1990s. In 1995, the government assigned the National Audit Office (NAO) to assess the incidence of errors, cheating and over-usage of the state welfare systems. The NAO discovered infrequent evidence of error and fraud, but the total of erroneous payments was still estimated as SEK 5 to 7 billion. The NAO also found that fraud control in the state welfare system had been neglected and its governance insufficient.¹⁶ The NAO report was criticized in public debate on the grounds that, by investigating irregularities in the benefit systems, vulnerable people were singled out as cheaters. This was also considered a sensitive issue since the legitimacy of the system could be at risk should abuses and shortcomings in the control system become publicly known.¹⁷ This criticism still echoes in the public debate (2011).¹⁸

During the last decade, the public discussion about benefit fraud intensified, and in 2005, there was a shift in the public debate, with benefit fraud increasingly being taken seriously and considered a crime. This change could be attributed to a more critical debate in the media. For example, a popular investigative TV program,

Uppdrag granskning, dealt with the topic.¹⁹ In 2006, the rhetoric of the Social Democratic government changed, and instead of “over-usage in good faith”, the prevalent term became “theft and fraud”.²⁰ Against the background of an increase in the numbers of welfare fraud cases brought to light, the government announced that it would hire 300 additional public officials to fight fraud. During 2006 and 2007, the Social Insurance Agency was allocated additional funds to counter erroneous payments and to widen its control activities (see below).

In a trial project, which started in the region of Västmanland, the Social Insurance Agency, the National Police Board and the Prosecution Authority joined forces to investigate and fight welfare fraud. The primary aims were to improve the quality of the reports from the Social Insurance Agency, speed up the process at police and prosecution levels, shorten the throughput time of the prosecution and increase the number of cases brought to trial, thus reducing welfare fraud.²¹ These goals were to be achieved by staff specialization and intra-agency collaboration and information-sharing. All suspected crimes were to be reported to the prosecutor, who would lead the pre-trial investigation (unlike common criminal procedures in Sweden). In May 2006, this strategy was launched nation-wide. In a joint evaluation some years later, all agencies involved were happy with the results.²² However, the heavy workload on the prosecution led to the transfer of responsibility for pre-trial investigations back to the police.

In 2005, the Social Democratic government presented a number of measures to deal with errors and irregularities in the welfare system. First, a commission was appointed to investigate possible increased information exchange between agencies. Subsequent legislation indeed made electronic data sharing between agencies more efficient. Since January 2009, it has become possible for agency administrators (for

instance at the Social Insurance Agency, the Tax Agency and the Public Employment Service) to directly access information regarding an individual case in other agencies' registries. However, a review of the electronic information exchange carried out by the NAO in 2010 showed that the exchange is still inadequate.²³ Second, a commission was established to develop new legislation to fight benefit fraud, resulting in the approval of the Benefit Crime Act (*Bidragsbrottslagen* 2007, Law No. 12) in 2007. Thirdly, the government established the Commission against Benefit Fraud and Errors (*Delegationen mot felaktiga utbetalningar, "FUT-delegationen"*) in 2005, as a forum for cross-agency cooperation. This commission aimed to reduce incorrect payments from Swedish welfare systems and to identify the causes and scope of the erroneous payments as well as the attitude of the Swedish public to benefit fraud. In its final report, the Commission proposed measures to reduce both unintentional and deliberate incorrect payments from the welfare systems. It also stressed the need for interagency cooperation and for statistics to be collected in a form which would enable meaningful comparison, especially in relation to the prevalence and volume of incorrect payments.

In the fall of 2006, a new right-wing government took office. As a part of their joint electoral platform, the parties forming the new government had advocated zero tolerance towards benefit fraud and a clampdown on it.²⁴ Shortly after their accession to power, an investigation into overuse of the temporary parental benefit ("*vab-dagar*") was published. The report showed that around 22% of the payments (SEK 650 million) had been made in error.²⁵ In response, the government suggested increased control of temporary parental benefits. Parents who temporarily stayed home with a sick child were required to present a document from the childcare provider that the child had indeed been absent that day.²⁶ In addition, the government

proposed the creation of a new agency to control and supervise the Social Insurance Agency, the Pensions Agency and the Tax Agency.²⁷ A commission was also appointed to investigate other measures to reduce benefit fraud.

During 2008, the Swedish media accused the government of inflating the problem of benefit fraud and exploiting it to defend cutbacks in the benefit systems.²⁸ However, the issue continued to attract attention. In 2009, the government assigned the National Financial Management Authority (*Ekonomistyrningsverket, ESV*) to coordinate cooperation between several authorities and agencies, to develop strategies in the fight against welfare fraud, to formulate a set of shared definitions in order to obtain meaningful statistics, and to establish methods for reporting results and for collecting and consolidating these statistics. The Agency for Public Management (*Statskontoret*) has carried out a follow-up study of this cooperation project.²⁹ Their overall assessment presented in 2012 indicated relatively unimpressive results. According to the report, the cooperation project has resulted in problematic descriptions rather than concrete suggestions for countering erroneous payments. It has not given the overall picture of erroneous payments, nor has it presented system-wide measures to be undertaken across all welfare systems. The goal of finding uniform and comparable definitions for welfare control statistics has not materialized.

Since the introduction of the Benefit Crime Act in 2007, the NAO has audited the government's fight against welfare fraud. The overarching conclusion has been that the fight against welfare fraud is not effective enough and that the new legislation has not brought about any clear improvement (RiR 2011, 20). The most problematic shortcomings were long throughput times which obstructed the Act's preventive effects; lack of policy learning in the investigation chain, and continued difficulties in proving intent, leading to many benefit crime cases being closed. The NAO

recommended that the administering agency provide improved documentation information to the beneficiary. It also pointed to the large gap between the previously estimated scale of benefit fraud and the number of suspected welfare fraud cases actually reported, concluding that there may have been a discrepancy between benefit fraud in the legal sense and government use of the term “intentional cheating” (*uppsåtligt fusk*). This may have led to governmental overestimation of the scale of welfare fraud. And this, in turn, may have resulted in incorrect prioritization and excessive ambition in the fight against welfare fraud.³⁰ The NAO audit has provided the most salient criticism leveled at the Benefit Crime Act.

Table 2 presents the number of reports to the police by benefit administering agencies before the BCA was approved (2007), and Table 3 presents these figures for the following period.

TABLE 2 ABOUT HERE

TABLE 3 ABOUT HERE

Structures and Processes in the Fight against Welfare Fraud

The Role of the Police

When suspicion arises, a preliminary investigation is carried out by the relevant benefit administering agency. Fraud control investigators (*kontrollutredare*), who investigate suspected cases of fraud and report the results to the police, operate in the Social Insurance Agency, the National Board of Student Aid, the municipalities of

Karlstad, Jönköping and Helsingborg and in some unemployment insurance funds. In the Public Employment Service and the Migration Board (and in some municipalities, and unemployment insurance funds), suspected welfare fraud cases are handled by regular staff.³¹

The preliminary investigation aims at establishing whether there has been intent or gross negligence. If these are suspected, the case is reported to the police. Many cases are closed after this preliminary investigation because the suspicion is not substantiated. The agency also has the option to recover the debt and terminate or lower the benefit. These are administrative measures that can be used against any erroneous payment with no need to establish criminal intent or negligence. If there is suspicion that a crime has been committed, the police or the prosecutor starts a pre-trial investigation. Simple cases and average-sized frauds, which are most frequent, are investigated by the police.³² Larger or more complicated cases are investigated by the prosecution.³³ The head of the pre-trial investigation leads the investigation by directing the crime investigator, who, *inter alia*, interrogates the suspect.

The police are divided into 21 regional agencies which, in larger cities, have specialized benefit fraud units.³⁴ Some of the country's 32 local prosecution offices (the local branches of the Prosecution Authority like the one in Västmanland and some in Skåne) have specialized prosecutors, while in others, the benefit fraud cases are assigned to a random prosecutor. All prosecution offices have a so-called "contact prosecutor" for fraud cases, including benefit fraud, whose task varies from office to office. The position of contact prosecutor came into existence with the development of cooperation between benefit administering agencies and law enforcement agencies (*Västmanlandsmodellen*, see below).³⁵ Some play an active role, supporting the police and the benefit administering agencies with advice and help, while others play a more

passive and internal role. This is true of prosecution offices as well, some of which only participate in the internal network against benefit crimes at the Prosecution Authority.³⁶

When the police lead the pre-trial investigation and substantiate a suspicion of crime, they report to the prosecutor who acts if the evidence is strong enough to ensure conviction. Other options include closing the case, refraining from prosecution on other grounds, or issuing a summary penalty order.³⁷ Many cases are closed by the police and the prosecutor, since no intent can be proven. The NAO report reveals that around 61% of the cases reported from the agencies to the police in 2010 were closed.³⁸ In addition, the Prosecution Authority closed more than 3,000 cases of the 7,000 they received.³⁹ The Prosecution Authority reports the difficulty in proving intent or gross negligence as the main reason for closing cases. Such difficulty exists when the administering agency has not documented that the welfare beneficiary was informed of his/her obligation to update the agency about changed circumstances.⁴⁰

The Role of Benefit Administering Agencies, Municipalities and Unemployment

Insurance Funds

The Swedish agencies, municipalities and unemployment insurance funds have also implemented a policy of prevention. This includes emphasis on pre-payment controls, preferably automatic computerized controls, without intervention by an administrator. Automatic controls minimize the risk of human error; the administrator cannot depart from the control routine. During the last decade, more and more controls have been built into the IT-based administrative systems. Some of these have been fully-automated while others required some human intervention. Automated fraud controls, such as social security numbers and overlapping periods of benefit, are carried out in

all cases. Non-automated computer controls include requests to the Tax Agency regarding income, and questions to other agencies regarding overlapping periods of benefits. In these cases, public officials send out a request through the IT-system, which is automatically answered by the receiving agency's computer system without the need for human intervention. The weak point in the non-automated system is that these actions are not uniformly carried out, as public officials have the option of using it or not. Manual controls, such as contacting the employer or the doctor that approved the sick leave are more expensive⁴¹ and are left to the discretion of public officials.

In all social security systems there are guidelines, process descriptions and other support documents that describe fraud control measures to be carried out before and after benefit payment. These guidelines are not always followed by public officials,⁴² possibly due to lack of knowledge of the control routines as well as the priority given to speed over fraud control. In 2008, for example, the Social Insurance Agency recommended that its public officials not carry out certain controls due to heavy workloads.⁴³ Because the system of pre-payment controls has its weaknesses, post-payment controls must also be conducted, which most agencies do, using targeted as well as random controls. For the National Board of Student Aid, for example, post-payment controls are especially important since student aid is paid in advance, based on estimated future income and enrollment in studies.

The National Board of Student Aid

In Sweden, financial aid for studies consists of a study allowance (*studiehjälp*), basically for high school studies, as well as student aid (*studiemedel*) for university students.⁴⁴ The study allowance is paid in advance, following school confirmation that the student is enrolled and is participating in the course. Advance payments involve

the risk of erroneous payments since the student may discontinue his studies, or not even start although s/he has been granted student aid. Before student aid is granted, the application is checked against information in the database of the National Board of Student Aid, which examines whether the school or educational program is approved; whether the applicant has been accepted and has not dropped out of the program; whether the applicant fulfills the age criterion; whether the applicant has not already reached the maximum period for which student aid can be granted; and whether the applicant has unpaid recovery requests or repayment dues related to prior loans. Some information is also crosschecked with the Social Insurance Agency.

The CSN control strategy places the emphasis on preventative work and pre-payment controls in accordance with the “correct from the start” principle.⁴⁵ However, since student aid is paid in advance, post-payment controls are necessary to discover any changes that could affect the right to student aid, for example, controls of real income or ensuring that the beneficiary is still studying.⁴⁶ These controls are mainly carried out through electronic information exchanges with schools, the Tax Agency, and the Social Insurance Agency.⁴⁷

Approximately 40 public officials work with the post-payment controls of the applicants’ income data, and two officials work at the main office of the National Board of Student Aid, conducting risk analysis, as well as planning, execution and follow-up of measures to implement the findings of the analysis.⁴⁸ The National Board of Student Aid has four special fraud investigators in the administrative support department (“*handläggargrupper*”).⁴⁹ The agency has issued two guidelines regarding benefit fraud to help the administrators, namely, a guide to suspected fraud (*Handledning misstänkt brott*)⁵⁰ which focuses on legal issues, and the procedure for

investigation of suspected crime (*Rutiner för utredning av misstänkta brott*) which structures the investigation sequence and process.⁵¹

As mentioned, the trigger for a welfare fraud investigation may come from a directed or a random post-payment control. Suspicions can also arise after a tip-off from the public or from another agency. Usually suspicions result when a public official notices some form of irregularity. The official then starts a preliminary investigation, beginning with information available at the agency, and may then contact the administrative support department to discuss the case. Contacts may also be initiated with the school. If forged documentation is suspected, it is sent to the school or agency for verification. If forgery is confirmed, the case is handed over to the administrative support which continues the investigation. According to section 17 of the Administrative Procedure Act, information received from external sources must be shared with the beneficiary suspected of fraud who should also be given the opportunity to respond. The fraud investigators then draft a report of suspected benefit crime to the police, and the relevant official at the National Board of Student Aid decides on recovery of the amount already paid. The fraud investigators then report the result back to the benefit administering official from whom the report originated.⁵² CSN also systematically identifies areas and claimant groups prone to welfare fraud according to certain selection criteria in order to increase accuracy.⁵³ For example, control of language studies abroad, classified as a high-risk area for benefit fraud was targeted in 2008.⁵⁴ CSN also carries out random controls to identify high-risk areas and to assess the scope of erroneous payments.

As Tables 2 and 3 show, the number of cases of suspected fraud that CSN yearly reports to the police has grown steadily from 17 cases in 2003 to 162 in 2010.

The Municipal Social Services

The municipalities are independent authorities which undertake fraud control activities in different ways. Every municipality decides what fraud controls to carry out and what data to store. There are neither national guidelines nor nation-wide consolidated statistics regarding welfare fraud.⁵⁵ The Association of Local Authorities and Regions (*Sveriges Kommuner och Landsting*) provides some recommendations with regard to the fight against welfare fraud.⁵⁶ Although the degree of fraud control measures undertaken by the different municipalities varies greatly, the process can roughly be summarized as follows. The main premise underlying fraud control activity is prevention, that is, that the payment should be correct from the start. When receiving an application for social assistance, the information provided by the applicant is checked against the population registry, as well as company and vehicle registries. If income self-assessment has not been submitted, this can also be obtained from the Tax Agency. Some cross-checking requires the consent of the applicant. If the applicant does not agree, the application may be withdrawn or decided without this information. All controls are manual except for a computerized request to the Social Insurance Agency regarding social security payments.⁵⁷

Systematic post-payment controls are usually not carried out. However, in three municipalities — Karlstad, Jönköping and Helsingborg — special positions have been established to investigate benefit fraud.⁵⁸ In Jönköping, the investigative team (*FUT-utredare*) receives all suspected cases of erroneous payments and undertakes random fraud control activities to discover irregularities.⁵⁹ Upon receiving the details of the case, they make a preliminary assessment of whether there is a basis for the investigation. If there is a basis, an investigation (*FUT-utredning*) is opened. The claimant is called for an interview and given an opportunity to comment on the

facts of the case and on the question of intent. The interview is recorded and added to the investigation file which may later be forwarded to the police. The social services in Jönköping have an agreement with the local prosecution office about the structure of the report required to increase the probability of pre-trial investigation and prosecution.⁶⁰ The municipality of Stockholm has developed a method for post-payment control of closed social assistance cases. The beneficiary's income as declared in the application for social assistance is compared to the taxable income according to the Tax Agency. Cases in which the beneficiary had a higher income than declared are further investigated for recovery and possible benefit fraud.⁶¹

The Public Employment Service

The Public Employment Service administers many benefits, but not all are covered by the new anti-fraud legislation. However, cases of fraud involving the benefits of resettlement allowance (*flyttningsbidrag*), and special initiatives for persons with impaired work capacity and activity support (*aktivitetsstöd*), do fall under the BFA and can be prosecuted as benefit fraud. Other benefits administered by the Public Employment Service are not covered by the BFA since the beneficiary may, for example, be an employer or a company receiving wage subsidies, and as noted, the law covers only personal benefits. In these cases the general provision regarding fraud in the Penal Code chapter 9, section 1 (see above) applies.⁶² Yet some benefits which the Public Employment Service helps to administer are ultimately decided on by other agencies. For example, the Public Employment Service checks that applicants fulfill the conditions for entitlement to unemployment benefits, but it is the unemployment insurance funds that decide on and pay these benefits. Administration of benefits thus

constitutes a relatively small part of the overall work of the Public Employment Service.⁶³

Preventive fraud control activities are carried out in the pre-payment decision making process to make sure the applicant fulfills all requirements for the benefit. Control activities are also conducted both before and after the benefit is paid. The administrator manually checks all documents supporting the request. A computer system — the Information System of the Public Employment Service (*Arbetsförmedlingens informationssystem*) — is used in the processing of requests. The system has built-in walls which do not permit erroneous payment, as well as a warning system each time an error is about to occur.⁶⁴ In addition, the Service has developed detailed procedures in cases of benefit fraud and a telephone support function has been established to support management and administrators with advice. The Service also has an administrative procedure for reporting suspected benefit fraud to the police.⁶⁵ Frauds committed by employers, which do not fall under the BCA, are similarly reported.⁶⁶ The Public Employment Service has no specialized fraud investigators, and therefore, the ordinary staff deals with suspected fraud cases.⁶⁷ The agency does not report more than five cases of benefit fraud yearly to the police (see Table 3),⁶⁸ possibly because, as stated, it actually does not administer many payments of benefits to individuals due to the dual role played by this agency and (private) unemployment insurance funds⁶⁹ Another reason for the low number of reports is that the relatively small amounts paid do not always qualify for prosecution.⁷⁰ The Service recovers debts accrued due to benefit fraud, but does not have any consolidated numbers or estimates of debt recoveries,⁷¹ nor does it compile statistics of its reports to the police.⁷²

The Swedish Agency for Public Management has directed criticism against the Public Employment Service's work to prevent incorrect payments.⁷³ The title of the report was "Said but not done", referring to the fact that despite a wish for correct conduct in the Public Employment Service, its programs are not always administered properly, resulting in risks of incorrect payments. Among the issues raised were the claims that incorrect payments are "not in focus". This means that, in the view of the Agency for Public Management, the endeavor to reduce risks in the Public Employment Service does not focus sufficiently on erroneous payments; risk analyses and control plans are lacking; and public officials do not always comply with rules and guidelines and do not have sufficient knowledge. The lack of statistics makes it more difficult for the agency to follow up and control the fight against benefit fraud and to carry out risk assessments.⁷⁴

Interviews conducted by the National Audit Office with a representative sample of public officials at the Public Employment Service, have revealed that work against benefit fraud has low priority at the agency.⁷⁵ To reinforce the fight against benefit fraud, a project was initiated during the fall of 2011 to establish an agency task force to fight benefit fraud and to develop a central investigative body, internal procedures to prevent and counter benefit fraud, information- and training efforts, and cooperation with other stakeholders.⁷⁶

The Unemployment Insurance Funds

Like other agencies discussed, the unemployment insurance funds consider that fraud should be prevented from the start. Therefore, they use computerized controls to carry out pre-payment checks. Processing procedures, trainings, support systems and information provision are central features of their work against fraud. There are on-

going efforts to develop and follow-up initial procedures. In 2008, a new system was introduced to streamline case management for all unemployment insurance funds consisting of so-called “process descriptions” (i.e., a manual containing a list of required stages for the administrator). By following this list, the risk of errors is minimized in advance since the public official must carry out these investigative steps.⁷⁷

The unemployment insurance funds have both computerized and manual information exchanges with the Social Insurance Agency and the National Board of Student Aid before the unemployment insurance is paid. This data exchange aims at preventing and discovering erroneous double payments. The unemployment insurance funds also carry out post-payment controls checking whether the beneficiary also received simultaneous parental benefits and, for applicants above the age of 61, whether they received concurrent old age pensions. In addition, the unemployment insurance funds carry out random controls. Sometimes declarations from the employer, stating that the applicant has not worked, are checked. There is also follow-up of tip-offs from the public. Every year, the unemployment insurance funds together with the Social Insurance Agency, the National Board of Student Aid, the Public Employment Service and the Swedish Unemployment Insurance Board (*Inspektionen för arbetslöshetsförsäkringen, IAF*) conduct a joint control to discover erroneous double payments.⁷⁸ Some unemployment insurance funds have specialized investigators who deal with fraud cases and erroneous payments.⁷⁹

Cooperation with the Law Enforcement Agencies (“Västmanlandsmodellen”)

Even before the implementation of the BCA, the Social Insurance Agency, the National Police Board (*Rikspolisstyrelsen*) and the Prosecution Authority

(Åklagarmyndigheten) had joined forces in a strategy to investigate and fight benefit fraud in the social security system. This strategy became known as the *Västmanland Model* (*Västmanlandsmodellen*), after the Swedish region where it started as a trial project in 2005, following joint preparations by local branches of the three agencies.⁸⁰ In May 2006, a nation-wide joint strategy in the fight against benefit fraud was launched whose aim was to introduce this model in all regions.⁸¹ Its ultimate objective was to increase the number of fraud cases brought to trial, to improve the quality of reports from the Social Insurance Agency, to speed up the procedure of the police and prosecution, to shorten the throughput time at prosecution, to increase the number of cases reported and in sum, to reduce fraud in the welfare system.⁸²

One cornerstone of the strategy was specialization. At the Social Insurance Agency, public officials specializing in benefit fraud investigated the cases and handed them over to an agency lawyer who drafted a report to a special prosecutor. The prosecutor assessed the case and started a pre-trial investigation with specially appointed police staff. They reported back to the prosecutor who decided whether to press charges. All persons involved received special training, resulting in increased knowledge for the police and prosecution about the work of the Social Insurance Agency, and vice versa.⁸³ Another cornerstone was joint meetings where all the specially-appointed staff could gather to discuss mutual concerns.⁸⁴

In a joint evaluation, all three agencies found that the quality of the reports from the Social Insurance Agency had improved, the number of reports of suspected crimes had increased, and more cases had been brought to trial. The agencies and the specially-appointed administrators had gained knowledge and inter-agency dialogue and cooperation had increased. In general, the agencies noted that their focus on benefit fraud had increased.⁸⁵ However, just as the *Västmanland Model* was

introduced in all regions, the Social Insurance Agency received increased resources and employed 300 people to reinforce their control operations. As presented in Tables 2 and 3, the number of cases of suspected benefit fraud reported by the Social Insurance Agency increased by just over 300 percent between 2006 and 2007. In many cases the agency had not assessed intent before reporting to the prosecution. The police and the prosecution perceived that they were being inundated with relatively small and unimportant cases, in which it was hard to prove intent, and that these had clogged up the system. The consequence was that the backlog increased at the police and prosecution levels, and trust in the *Västmanland Model* was impaired. The evaluation therefore recommended that not all cases of suspected benefit fraud be reported to the prosecution; the Social Insurance Agency would have to assess intent and only then, pass on selected cases.⁸⁶

After the joint evaluation, the cooperating agencies in 2007 replaced the 2006 strategy with a document that essentially kept many of the elements of the *Västmanland Model*, namely, priority for the fight against benefit fraud, development of cooperation, special administrators at the agencies and joint initiatives to improve the precision and quality of the report from the agencies. However, from an administrative point of view, it had proven less successful for the prosecution to receive all agency reports. Therefore, the police were now to receive agency reports of benefit frauds, but the prosecution would lead the pre-trial investigation. Guidelines for minimum amounts and assessments of the severity of the crime were to be developed.⁸⁷

In 2009, the Social Insurance Agency, in response to a government request to describe the cooperation between the agency, the police and the prosecution, noted that the police are now again leading the pre-trial investigations. Most cooperation

takes place on a local level, and varies greatly between regions, depending on regional preconditions as well as on the motivation and priorities of the local stakeholders. Most local units of the Social Insurance Agency meet regularly with the police and the prosecution, but in some regions only with the police, between once a month to once a year. In a few regions there are no meetings at all. In some regions the local branch of the agency would like to see better cooperation and the appointment of special prosecutors.⁸⁸

The police also evaluated their work against fraud, and cooperation with the Social Insurance Agency, in a 2011 report.⁸⁹ They concluded that after the re-organization of the Social Insurance Agency (see below), some preconditions for cooperation have changed, since there are fewer fraud investigation units at the Social Insurance Agency. One example of change is the case of Västmanland, which used to be a model for successful cooperation (see below), but which now does not even meet regularly with the police, since the Social Insurance Agency's anti-fraud unit to which Västmanland belongs is outside the region. A majority of the local offices however still have joint cooperation meetings.

The local police authorities present a mixed picture when it comes to the question of specially-appointed benefit fraud investigators. In some regions specially-appointed investigators existed previously but have now been phased out for lack of sufficient work. In other regions the system of specially-appointed investigators has been maintained and even developed since their professional competence is considered essential. The police authority in the northern region of Jämtland has recruited former Social Insurance Agency workers as civil investigators because of their specialized competence and good connections to the Agency, which has deepened the cooperation between the agencies.⁹⁰

The 2011 audit by the NAO showed that in spite of the generally good results, the agencies no longer work according to the *Västmanland Model*, but have returned to the previous model, reporting the suspected crime to the police who also lead the pre-trial investigation (unless the crime is gross, in which case it is led by the prosecution). Some of the cooperation between the Social Insurance Agency and the police still remains in certain districts, due to the commitment of the parties at a local level.⁹¹

Explaining the Variations among Benefit Administering Agencies

There are variations in the fight against benefit fraud between the different agencies and within different regional branches of the same agency. Two approaches to primary investigations exist within the administering agency. In some agencies (the Social Insurance Agency, the National Board of Student Aid and some municipalities and unemployment insurance funds) there are staff members who specialize in benefit fraud, dealing with investigations at the agency, police reports and support to administering staff. In other agencies (the Public Employment Service and the Migration Board), fraud cases are dealt with by the same public officials that deal with routine benefit cases (see Table 1). The Pension Agency, established in 2010, has not yet developed any work against benefit fraud.

The NAO noted that in the Swedish Social Insurance Agency and the Swedish National Board of Student Aid, the quality of police reports and their overall fraud control activity have improved since 2007.⁹² For both agencies, administering payment of benefits to individuals is a large part of agency activity.⁹³ This could explain why they have greater motivation to detect fraud than an agency like the

Migration Board, where benefit administration is not only a minor part of the agency's activities, but is also economically less significant.

The NAO has assessed the effectiveness of the work of the agencies against benefit fraud, by relating the costs of the work against benefit fraud to the revenues in terms of debt recovery and prevented future disbursements. According to the calculations, work against benefit fraud is viable only at the Social Insurance Agency and at the Swedish National Board of Student Aid. For other agencies, the work is either unviable or data is not available.⁹⁴ Again, the fact that the Social Insurance Agency and the National Board of Student Aid administer large benefits explains why their work against benefit fraud is financially viable. Despite expenses for their work, and for joint projects like the collaborative assignment coordinated by the Swedish National Financial Management Authority, revenues are so much greater for them, because the amounts they pay out are much larger. This viability can, in turn, explain why they work more actively against benefit fraud than other agencies. They simply have more to gain. Finally, as mentioned previously, the Social Insurance Agency was granted SEK 300 million from the government to strengthen their control work in 2006 and 2007. As cited, approximately 300 people were hired, which resulted in an increased number of investigations and reports.⁹⁵ This, of course, serves as another explanation for their relative success against benefit fraud.

Explaining the Variation among Law Enforcement Agencies

As mentioned above, some of the police's regional agencies, as well as some local prosecution offices have specialized staff dealing with benefit fraud cases. The specialization at some branches of the crime-enforcement agencies can be explained against the background of the *Västmanland Model*.

The Swedish National Council for Crime Prevention (*Brottsförebyggande rådet, BRÅ*) evaluated the model,⁹⁶ focusing comparatively on implementation in the regions of Västmanland and Skåne. Västmanland is where the model originated and the cooperation started earlier there than anywhere else in the country. It is also a smaller region with only one prosecution office, while Skåne is a larger region with four offices. The small scale of the activities in Västmanland enabled close contact between the agencies, which all were located in the same neighborhood. The administrators knew each other personally.⁹⁷ In addition, in Västmanland there were specialized prosecutors and police officers working almost exclusively to locate benefit fraud.⁹⁸ In Skåne, three of the four local prosecution offices had specialized prosecutors. The police, however, did not have special staff for benefit fraud.⁹⁹ The *Västmanland Model* was found to be successful in regions where it created a close cooperation between the Social Insurance Agency, the police and the prosecution. Success was due to committed specialists, personal networking and familiarity with each others' tasks. The report by the National Council for Crime Prevention pointed out that the designated specialists were extremely important for the cooperation.¹⁰⁰ It is reasonable to argue that these specialists remained and the specialization and cooperation survived in regions where the model had been successfully implemented, even when the model was de-emphasized on a central level. The specialization is due to the commitment and initiatives of the parties at a local level.¹⁰¹

The Social Insurance Agency: A Case Study

Against the background of a targeted nationwide investigation of the temporary parental benefit in 2002, which showed a higher rate of fraud than expected, the Social Insurance Agency intensified its work against benefit fraud. In the spring of

2003, the agency launched a project to find strategies for its control work, including a struggle against errors and fraud. This resulted in a 2004 report, entitled the “Strategy Report” (*Strategi för socialförsäkringens kontroller*).¹⁰² As a part of this project, a survey was conducted at all regional branches of the National Insurance Agency to map out how the offices check information submitted by the applicant and what control work was being done at the different offices. The findings confirmed that issues of fraud control had so far been given low priority and were carried out mostly locally. There were no guidelines or policy documents. A few offices had groups specializing in fraud and some cooperated with other agencies to discover fraud, but most branches did not carry out systematic post-payment controls. Lack of resources and fear of prolonged processing times made it difficult to carry out controls, according to the survey.¹⁰³ It was also noted that there were currently no officials at the Social Insurance Agency with an overarching or coordination task regarding issues of fraud control.¹⁰⁴

The strategy presented in the report envisioned integral thinking, namely, that fraud control should be integrated with quality assurance, and should be streamlined and standardized around the country. Activities carried out to implement the strategy, to improve control and to counter fraud, were to be preceded by a risk- and relevance analysis of all benefits in order to ascertain to which benefits control measures should be directed. The philosophy that permeates this document and other later ones from the Social Insurance Agency is preventive; correcting things from the start, “*rätt från början*”.¹⁰⁵ In February 2004, the Social Insurance Institute published a practical guide for the struggle against benefit fraud for the employees of the Social Insurance Agency.¹⁰⁶ This was used to train the employees and was expected to contribute to

more focused control. This guide has subsequently been updated a number of times, but remains in force.¹⁰⁷

As elaborated above, in 2006 and 2007, the Social Insurance Agency was granted additional funds to counter erroneous payments and to further develop its control activities. This budget allocation has enabled the agency to recruit approximately 260 new staff members to handle control investigations at local offices, and around ten employees for strategic development at the main office. In addition, approximately 30 people were hired for special activities, such as cooperation projects. The agency established a new control strategy to replace 2004 one.¹⁰⁸ It determined that controls would be focused on four areas: (i) Administrative controls would be executed pre-payment by the administering officer on the bases of available information at the agency and information submitted by the client; (ii) Quality control (for instance, if the basis for a decision was sufficient, if the decision was correct and if the implementation was carried out correctly); (iii) Irregularities, such as fraud by agency's employees, and (iv) Controls of suspected crime; post-payment check-ups of clients suspected of fraud. The agency also developed a process for investigating suspected benefit fraud, and developed a routine for reporting benefit crimes in coordination with the prosecution.¹⁰⁹ This laid the foundation of today's (i.e., 2013) control work.

The new Benefit Crime Act of 2007 did not lead to major changes in the Social Insurance Agency's work against benefit fraud.¹¹⁰ The major change in attitude at the agency had already taken place in the beginning of the decade. However, the law did result in an obligation to more carefully assess intent (or gross negligence) as a condition for reporting the case to the police. As indicated in Tables 2 and 3, the number of police reports which had increased over the decade preceding the new law,

reaching its peak in 2007, declined after the implementation of the new law. One possible explanation is the new requirement of a more thorough assessment of intent. An additional explanation is the feedback and cooperation from police and prosecution. A third reason is that the high number in 2007 was possibly due to the extra funding the agency had received in 2006-07.

Since 2008, the Social Insurance Agency has moved away from directing its targeted controls at the simpler benefits (such as temporary parental benefits, housing benefits and maintenance support), focusing instead on more complex benefits involving higher amounts, such as sickness benefits, sickness and activity compensations, and attendance allowance for handicapped. These cases take longer to investigate, which means fewer cases are investigated annually. Fewer cases are also reported annually to the police or lead to other measures, such as debt recovery. On the other hand, the agency has become more accurate in its aims and more often finds erroneous payments in cases it examines. The amounts of the discovered frauds have also increased, rendering the work against benefit fraud more effective.¹¹¹

In 2012, the Social Insurance Agency announced that it would also start focusing on benefits in which individual payments were relatively small, but where the total represented a major expenditure. Dental care and parental benefits are examples of such areas.¹¹²

Organization

The Strategy Report in 2004 recommended that the responsibility for control issues should be concentrated in one unit. This was subsequently implemented; all follow-up work regarding erroneous payments was carried out by the “Unit for Joint Issues” (*Enheten för gemensamma frågor*) at the main office of the Social Insurance Agency.

Beginning in 2005, the administrative organization of the Social Insurance Agency was completely remodeled.¹¹³ Self-service for the clients became an overarching principle with as much as possible being done by internet and by telephone support.

The new organization is structured according to the different benefits processed. Simple but more frequent benefits, which require less contact with the clients, are administered by the national insurance centers (*Nationella försäkringscentra*, NFC). More complex benefits, demanding more client contact, are dealt with by the local insurance centers (*Lokala försäkringscentra*, LFC). In addition, there are local offices (Servicekontor) to handle more general questions and to accommodate people who prefer personal contact. Many of these local offices are operated together with the Tax Agency and the Pension Agency, and only in special cases, also the Public Employment Service.¹¹⁴

The agency now has 60 local centers, 20 national centers, call centers and one main office divided into different units. Approximately 150 anti-fraud administrators are placed at 20 of the local centers, working with targeted controls and control investigations. Every region should have at least one local insurance center with an anti-fraud unit, the size of which varies according to the size of the region.¹¹⁵ The national centers do not have anti-fraud units. If suspicion of fraud arises at a national center (or is received at the call centers), it is passed on to one of the local anti-fraud investigators. At the call center, there are 70 administrators specially trained to receive tips from the public. However, the national center in Visby is an exception, having investigators who deal with suspected benefit fraud and focus on international cases.¹¹⁶

At the main office, a new unit, Remit Control Matters (*Enheten för Kontrollfrågor*) was created in February 2008 with 13 employees, including the head

of the unit. It deals not only with benefit fraud, for which it has the overall responsibility, but also other control issues such as quality assessment and internal irregularities.¹¹⁷ The unit works with strategic development, developing control methods and processes and issuing risk analyses which form the basis for the control work.¹¹⁸

Operation

Risk analysis forms the basis for the Social Insurance Agency control work by identifying the risks for every benefit and these are used to assess the need for control measures. There is also an action plan which describes identified risks and matches risks with a counter measures.¹¹⁹ As mentioned above, the salient philosophy of the Social Insurance Agency is preventive; payments should be correct from the beginning. This philosophy rests on two principles.¹²⁰ The first is to implement strict work processes and routines in order to ensure that a case is correctly processed. The work against benefit fraud, just like other work at the Social Insurance Agency, is therefore structured on so-called “process descriptions” (*processbeskrivningar, ENSA*) which form a kind of manual determining stages required from the administrator. By following a list of defined tasks, the risk of errors is minimized “from the start”.

The second principle stresses the importance of preventive pre-payment controls carried out during processing (*kontroller i handläggningen*). These include:¹²¹ (i) cross-checking with available information within the agency; (ii) automatic, computerized controls during the processing of the application. For example, the computer system indicates a suspiciously large payment and automatically checks submitted data against data existing in agency files, and (iii) immediate computer access to information from other agencies' data without formal requests. The latter

enables the Social Insurance Agency to access registries of other agencies in real time while processing the application. The administrator can for instance access the registries of the unemployment insurance funds to determine dates the applicant was reported as unemployed; from what date the applicant was granted unemployment benefits and what days the applicant reported that he received sick benefits or parental benefits. Thus, whether a client is receiving several benefits at the same time can be easily checked. The Social Insurance Agency has automatic access to information from the Swedish Public Employment Service, the National Board of Student Aid and the Tax Agency and also participates in international networks for sharing information.¹²²

Included in the preventive work of the Social Insurance Agency are measures to affect public attitudes and behavior by providing information about the rules of social insurance, about how clients can provide correct information and about the client's duty to report changed circumstances as well as the consequences of not doing so. The agency publicizes control procedures and publishes the results, since it believes that this will have a general preventive effect.¹²³ The agency also has post-payment controls at its disposal, even though these are considered a "supplement" to the processing controls.¹²⁴ Post-payment controls include investigations of individual cases, triggered by an incentive such as a tip-off or suspicion by an administrator.

Control investigations

A control investigation examines whether a payment was made in error and if so, whether this is a case of suspected fraud. The investigation starts with a suspicion derived from different sources, such as tip-offs from the public, other agencies and private insurance companies.¹²⁵ The agency itself also runs random controls, as well

as targeted controls of different types of benefits, based on risk analysis, which can trigger control investigations. Social Insurance Institute studies have shown that incentives of public officials are usually of a higher quality than those of the public.¹²⁶

According to the process description for a regular case, the administrator must forward the case to an anti-fraud investigator as soon as suspicion arises. From there, the anti-fraud investigation, with its own process-description, takes over.¹²⁷ The investigative administrator who performs the controls starts with a “desk investigation”, basically identical to the pre-payment controls; crosschecks with intra-agency information and control of information directly available at other agencies, as well as searching for other public information such as crosschecking actual residency with information from the Postal Authority or simply information found on the internet. Information can also be requested from other agencies. The investigation can be expanded to contacts with relevant persons such as the applicant, his landlord and his employer. The administrator can also visit the applicant’s home and workplace to verify the composition of the household. The primary investigation aims at verifying the suspicion and establishing intent or gross negligence which must then be reported to the police. Many cases are closed after the primary investigation, because the suspicion is not substantiated, or because the investigator assesses that there is no intent/criminal negligence, but the client may still have to repay the erroneous amount.

Table 4 about Here

Table 4 shows the numbers of control investigations completed by the Social Insurance Agency from 2005 to 2010. The numbers increased from 9,854

investigations in 2005 to a peak of 33,847 completed investigations in 2007, then dropping to 24,818 in 2008 and 20,112 in 2010. The peak in 2007 can be explained by the extra funding received in 2006-07.

As presented in Tables 2 and 3, the number of police reports from the Social Insurance Agency has also increased over the past decade. From only 212 reports in 2001, it rose to 1,558 in 2005 and peaked at 4,773 reports in 2007, after the SEK 300 million grant.¹²⁸ The 2006 Control Strategy stated that suspected fraud should always be followed up and all suspected crime should be reported to the police.¹²⁹ The large increase in reports to the police was criticized both internally and externally since much of the increase consisted of simpler cases of erroneous payments of parental benefits, discovered in a major directed control of temporary parental benefits.¹³⁰ Only 11 percent of the cases regarding temporary parental benefits resulted in convictions or summary penalty orders,¹³¹ as the prosecution had closed many cases, assessing no criminal intent or negligible fraud.¹³²

Since 2007 there has been a decrease in the number of completed control investigations and police reports from the Social Insurance Agency (from 4,773 reports to 1,746 in 2008, see Table 3). The downward trend continued and in 2010 only 1,071 cases were reported to the police. The decline could be explained by the obligation introduced in the new BCA to report only cases of suspected intent/severe negligence. However, as also seen in Table 3, since the drop is not visible in other agencies, the peak at the Social Insurance Agency in 2007 is better explained by the extra funding in 2006-07. The Agency, in cooperation with the prosecution, has also clarified what cases should be reported to the police, resulting in a lower number of reports. For instance, frauds smaller than SEK 300 are not reported to the police.¹³³ Furthermore, in 2008, the Agency carried out major organizational reforms, including

replacement of many of its workers. This caused long waiting times at the telephone service center, which may have contributed to fewer tip-offs and, in the long run, fewer cases reported to the police.¹³⁴

The agency itself explains in its 2010 Annual Report that the controls now are directed towards more difficult cases involving higher amounts. These cases take longer to investigate, which means fewer cases are investigated and reported yearly. On the other hand, the Report states that the agency has become more accurate in finding erroneous payments in the cases it examines.¹³⁵

However, as indicated in Table 5, in 2010 the number of actual convictions for benefit fraud following police reports from the Social Insurance Agency, was only 188, the lowest number since 2006. In a 2011 report, the police also noted the few convictions since, due to the more selective policy of the Social Insurance Agency, fewer cases are now reported while the cases reported are more substantiated. A higher percentage of the reports include a criminal offence and the reports are better prepared. The police evaluators find it noteworthy that this positive development has not led to a higher percentage of cases passed on from the police to the prosecution.¹³⁶

Targeted controls

The term “targeted controls” (*riktade kontroller*) refers to the special controls that take place for a limited time and with a special focus, for instance, on a certain benefit, client group or type of information. The focus is selected by analyses of targets likely to be at high risk for erroneous payments and suspected fraud. The systematic control of cases selected through Qben II computer system (see below) may give indications of what should be the focus of such targeted controls. Information may also come from other agencies, organizations and the public,

indicating a need to check a particular group of clients. Targeted controls aim at acquiring more knowledge about the scope of erroneous payments and benefit fraud as well as countermeasures which may be taken.¹³⁷ One example of benefits that have been targeted for control is the temporary parental benefit in 2006 and 2007.¹³⁸ In this category, much fraud was found which contributed to the high number of control investigations in 2007.

Qben II

The Social Insurance Agency began using the Qben II computer system in 2002. Originally the Qben II was used for quality control and measured whether the basis for decision was sufficient, whether the decision was accurate and whether the implementation of the decision was carried out correctly.¹³⁹ Later, the agency started using the selected cases for fraud review as well. These random controls are not primarily meant to discover individual cases of fraud, but rather to give the Social Insurance Agency a statistical basis for assessing the scope of benefit fraud. From benefits identified by a risk- and relevance analysis, the system selects cases in a statistically valid way. These cases are subsequently reviewed by Social Insurance Agency staff using a special questionnaire to check the validity of the information submitted by the client.¹⁴⁰ External checks can also be performed, for instance, with the beneficiary's employer. The results are published monthly. On January 2013, the Social Insurance Agency has dismantled the quality controls in Qben, and is currently (Maoy 2013) installing a new tool system to work with targeted controls (Kontrollramverket).

In addition to selecting cases with statistical validity, the computer system is used to register statistics. The administrators register control investigations in the

system: they note what the impetus for the investigation was; the results of the investigation and if a report was made to the police. The agency also records feedback from the police and prosecution in the Qben-system to enable follow-up of the control work, produce statistics about the control investigations and fulfill governmental demands about reporting crimes against the social insurance system.¹⁴¹

Keeping statistics of the fight against benefit fraud is fairly new in Sweden. At the Social Insurance Agency, the statistics of the control investigations and reports to the police and prosecution have been entered manually in the Qben II system since 2009. The Social Insurance Agency has also retroactively registered information from the years 2006-2008. Statistics from 2004 exist in Excel-sheets. Earlier statistics are unobtainable and cannot be used for comparison.¹⁴²

Feedback from the police and prosecution

As presented in Table 5, the Social Insurance Agency gets feedback regarding its police reports from the police and prosecution, indicating whether or not the police or prosecution continued the process, or whether they closed the cases. The feedback also specifies how many suspects have been convicted and gives the number of judgments, summary penalty orders or waivers of prosecution for every given year. This is important for statistical follow-up, and for the agency to learn about the quality of its police reports. The cases decided by the police, prosecution and courts in any given year are not necessarily the same cases as reported by the agency that year. It can take as long as three years for the agency to get the result of a police report from the court system.¹⁴³

As Table 5 indicates, the number of cases whose outcome has been reported by the police to the agency (e.g., prosecutions/cases closed, etc.) has decreased since

2007 and in 2010 was at the same level as in 2006. This is probably because the many cases reported in 2007 (see Table 3) that had created a backlog, had now been dealt with by the court system.

TABLE 5 ABOUT HERE

As indicated in Table 5, it should be noted that in 2010, the number of convictions for benefit fraud following police reports from the Social Insurance Agency, was only 188, the lowest since 2006.

Conclusion

The debate about welfare benefit fraud began in Sweden in the mid-1990s. Over the last decade, the subject has aroused growing interest in public discourse and is taken more seriously. Some major projects have therefore been initiated by the government, the first of which was the Commission against Benefit Fraud and Errors ("*FUT-delegationen*") followed by a cooperative project led by the National Financial Management Authority (*ESV*). Another outcome of the increased focus on benefit fraud is the enactment of the Benefit Crime Act in 2007, in an area where there was no specific earlier law. The new legislation makes it easier to prove intent and criminalizes receiving undeserved benefits due to gross negligence. On an inter-agency level, projects have been initiated to make the fight against benefit fraud more efficient, most prominently in the so-called Västmanland project. In this project, the Social Insurance Agency, the National Police Board and the Prosecution Authority have joined forces to investigate and fight welfare fraud. In addition, the Swedish

agencies, municipalities and unemployment insurance funds that administer welfare benefit payments have implemented a policy of prevention, attempting to ensure correct benefit transactions “from the beginning”. This policy includes an emphasis on pre-payment controls, preferably controls carried out automatically by a computer system without the need of an initiative by an administrator.

In Sweden, there is no overarching body that coordinates activities related to the fight against benefit fraud. Welfare benefits are administered by numerous bodies which greatly vary. Because each agency independently undertakes activities aimed at fighting welfare fraud, it is very difficult to establish consolidated data or even uniform definitions. The lack of consolidated welfare fraud statistics in Sweden inhibits comparison with other countries. Several investigations and commissions have pointed out the need for further cooperation, and for statistics to be collected in a way that enables meaningful comparison in order to form a more comprehensive picture of benefit fraud. Nevertheless, in a 2012 follow-up study of the ESV cooperation project, the Agency for Public Management (*Statskontoret*) stated that an overall picture of erroneous payments is still lacking. The goal of creating uniform and comparable definitions for welfare control statistics has not yet materialized.

In the present study, some variations have been found. An improvement in the quality of anti-fraud work in the Swedish Social Insurance Agency and the Swedish National Board of Student Aid can be noted since 2007. These two agencies seem to be more successful in the fight against benefit fraud. An example of their methods involves the use of specialized officers to deal with benefit fraud cases. According to the calculations of the NAO, the work on benefit fraud is viable only at these agencies because both of them administer large benefits. Even if they incur expenses for their work and for joint projects, revenues are greater because the amounts they pay out are

much larger. This viability can, in turn, explain why they are more active against benefit fraud than other agencies. They simply have more to gain. Regarding the variation among law enforcement agencies, this can be explained against the background of the *Västmanland Model*. Specialized staff remains and cooperation has survived in regions where the model has been successfully implemented, even when the centralized Västmanland model was de-emphasized. In addition, due to the more selective policy of the Social Insurance Agency, fewer cases are now reported to the police and the cases reported are more substantiated. This however has not led to a higher percentage of cases passed on from the police to the prosecution. In 2010, the number of convictions for benefit fraud following police reports from the Social Insurance Agency was only 188, the lowest number since 2006. One explanation for this may be the difficulties in proving intent.

The NAO audited the government's fight against welfare fraud from 2007 to 2011. The overarching conclusion was that the fight against welfare fraud is not effective enough and that the new legislation has not brought about any clear improvement. The NAO also pointed out the gap between the previously estimated scale of benefit "cheating" and the actual number of cases in which a benefit is reclaimed due to suspected benefit fraud.

Future research should establish the actual extent of welfare fraud and study the discrepancy found by the NAO between the previously estimated scale of benefit "cheating" and the actual number of cases in which a benefit is reclaimed due to suspected benefit fraud. There seems to be a grey zone between what is called "cheating" in the public and political debate, and what actually qualifies as "fraud" in the eyes of the law. Connected to this question is the problem of definitions: What is

benefit fraud? Can we estimate the hidden statistics or do we only use the number of reported cases of fraud in the legal sense?

As noted earlier, an improvement in the work against benefit fraud can be noticed, even if not necessarily due to the new legislation. One explanation of this improvement is the practical cooperation on the ground between the agencies, the police and the prosecution, for instance, in the Västmanland project. The impact of inter-agency cooperation and of the agencies learning from each other should be further mapped and analyzed. From a legal perspective, the challenge seems to be proving intent. Here, a further study may be useful. Where in the investigative chain are the problems located? How can these be overcome? Relatedly, why the positive development at the Social Insurance Agency has not led to a higher percentage of cases passed on from the police to the prosecution?

The Swedish agencies, municipalities and unemployment benefit funds lack consolidated statistics regarding benefit fraud. A future research idea is to examine and compile the statistics that must exist at a local level. Consolidated statistics would make comparative studies possible both between different agencies in Sweden and with other countries. An international outlook regarding this problem would be relevant. How have other countries with a decentralized agency structure achieved consolidation of statistics and shared definitions? Finally, the public debate and attitudes towards benefit fraud should continue to be analyzed.

TABLE 1. General Features of Actors involved in the Fight against Welfare Fraud

	Number of benefits managed	Number of administrators	Special control investigators and specialists
The Social Insurance Agency	28	8,000	158
The National Board of Student Aid	6	700	4
The Pensions Agency	9	535	No
The Migration Board	2	480	No
The Public Employment Service	3	5,000	No
Unemployment Insurance Funds	1	No information available	Yes, at some of the funds.
Municipalities	8	No information available	Yes, at some of the municipalities.

Source: Report from the National Auditing Office (Riksrevisionen RiR 2011:20, p 31.)

TABLE 2. Number of reports to the police from the agencies pre-2007

	2001	2002	2003	2004	2005	2006
Social Insurance Agency	212	398	410	930	1558	1806
National Board of Student Aid			17	55	n.a.	43

Sources: Försäkringskassan analyserar 2006:12, s 18, Försäkringskassans årsredovisning 2009, SOU 2006:48, ESV 2011:11.

TABLE 3. Number of reports to the police from agencies, unemployment insurance funds and municipalities, 2007–2010

	2007	2008	2009	2010
Social Insurance Agency	4,773	1,746	1,419	1,071
National Board of Student Aid	75	79	94	162
Migration Board	10	10	10	10
Public Employment Service	-	5	5	5
Pensions Agency	-	-	-	0
Total, agencies	4,858	1,840	1,528	1,248
Unemployment insurance funds	608	895	1,726	2,583
Municipalities	n.a.	697	1,424	1,847
Total	5,466	3,432	4,670	5,678

Source: the National Auditing Office (Riksrevisionen RiR 2011:20, p 61)

TABLE 4. Reviews and Reports to the Police by the Social Insurance Agency

Period	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Reviews										
Reviews of eligibility and entitlement, started	19680	21 291	19 348							
Reviews of eligibility and entitlement, finished	20112	23 752	24 818	33 847	16 464	9 854				
Cases reported to the police for investigation	1 071	1 419	1 746	4 773	1 806	1 558	930	410	398	212

TABLE 5. Feedback from the police and the prosecution to the Social Insurance Agency

	2003	2004	2005	2006	2007	2008	2009	2010
Cases whose outcome has been reported by the police to the agency	178	303	499	1,010	2,102	2,233	1,790	1,101
Judgments, summary penalty orders or waivers of prosecution ¹⁴⁴	35	70	104	199	326	378	461	266
Convictions	31	60	93	169	286	299	320	188

Source: Försäkringskassan Annual Reports 2007-10

¹ For an English summary of the Commission's work, see *Right and fair, Measures against incorrect payments from welfare systems*, Summary of SOU 2008:74 by the Swedish Commission against Benefit Fraud and Errors.

² *Den nya Försäkringskassan, i rätt riktning men långt kvar*, Statskontoret 2009:19, p 64.

³ *Gemensam skrivelse, Samverkansuppdraget om utveckling av metoder för och redovisning av resultatet av arbetet mot felaktiga utbetalningar från välfärdssystemen*, Ekonomistyrningsverket 2012-6, p 120-21.

⁴ Official English translation provided by the Government Offices on their website <http://www.sweden.gov.se/sb/d/3926/a/27777>

⁵ Such signed statements were used by the Social Insurance Agency, the National Board of Student Aid, and for some benefits administered by the Migration Board.

⁶ This was the case with applications for benefits from the unemployment insurance and for financial support from the municipalities

⁷ Proposition 2006/07:80, pp. 33, 47.

⁸ Both police and prosecution are qualified to receive complaints. According to the joint action plan by the police, prosecution and Social Insurance Agency (*Gemensam handlingsplan för att bekämpa bidragsbrott*, Dnr FK: 43030-2007, Dnr RPS POA-423-3430/07 Dnr ÅM: ÅM-A 2007/1582) the agencies should report to the police.

⁹ Lag 2008: 206 om underrättelseskyldighet vid felaktiga utbetalningar från välfärdssystemen

¹⁰ The Migration Board, the Social Insurance Agency, the Pensions Agency, the Tax Agency (*Skatteverket*), the Enforcement Authority (*Kronofogdemyndigheten*), the National Board of Student Aid and the Public Employment Service.

¹¹ See: <http://www.rattochriktigt.se/Standard.aspx?id=468>

¹² Financial support under the Social Services Act.

¹³ See: <http://www.rattochriktigt.se/Standard.aspx?id=361> for a table of the size of the respective benefit payments in 2008.

¹⁴ For a complete list of all benefits and administering agencies, see <http://www.rattochriktigt.se/Standard.aspx?id=471>

¹⁵ See: <http://www.rattochriktigt.se/Standard.aspx?id=471>

¹⁶ *FUSK – systembrister och fusk i trygghetssystemen*, RRV 1995:32.

¹⁷ *Färre men värre. En beskrivning av fel, fusk och bidragsbrott över tid*. Socialdepartementet, 2011, p 4.

¹⁸ See, for instance, an opinion piece from June 2011, <http://www.dn.se/debatt/ryktet-om-bidragsfusk-hotar-trygghetssystemen> (accessed 25.10.2012)

¹⁹ *Färre men värre. En beskrivning av fel, fusk och bidragsbrott över tid*. Socialdepartementet, 2011, p 5.

²⁰ Korsell Lars, Hagstedt Johanna and Skinnari Johanna: *Från kelgrisar till styvbarn – Fusket med välfärdssystemen*, Nordisk Tidskrift for Kriminalvidenskab 2008, p 26.

²¹ The Prosecution Authority, Rätts PM 2007:15, p 5

²² *Redovisning av uppdrag avseende gemensam strategi för att bekämpa bidragsbedrägerier*, dnr 43030-2007, Försäkringskassan.

²³ *Informationsutbyte mellan myndigheter med ansvar för trygghetssystem*, RiR 2010:18, Riksrevisionen.

²⁴ Korsell Lars, Hagstedt Johanna and Skinnari Johanna: *Från kelgrisar till styvbarn – Fusket med välfärdssystemen*, Nordisk Tidskrift for Kriminalvidenskab 2008, p 28.

²⁵ *Överutnyttjande i tillfällig föräldrapenning för vård av barn*, IFAU Rapport 2006:9.

²⁶ The rule entered into force in July 1, 2008 but was abolished on January 1, 2013 since it had not led to decreased benefit fraud. The level of benefit fraud for the temporary parental benefit remains at 5%. See: <http://www.svt.se/nyheter/regionalt/ostnytt/vab-intyget-forsvinner> (Accessed 5.2.2013).

²⁷ The new supervising agency, *Inspektionen för socialförsäkringen*, began its work on July 1, 2009. See: http://www.inspsf.se/om_isf/ (accessed on 16.10.2012).

²⁸ *Färre men värre. En beskrivning av fel, fusk och bidragsbrott över tid*. Socialdepartementet, 2011, p 10.

²⁹ *Uppföljning av samverkansuppdrag mot felaktiga utbetalningar från välfärdssystemen*, Dnr 2009/60-5, Statskontoret 2012.

³⁰ *Vad blev det av de misstänkta bidragsbrotten?*, RiR 2011: 20, p 77.

³¹ Report from the National Auditing Office, RiR 2011:20, p 31; *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar 2008, p 45.

³² If the amount is between SEK 1,500 and 200,000, the fraud is counted as a normal-degree crime.

³³ For the division of labor between the police and the prosecution in the preliminary pre-trial investigations, see <http://www.aklagare.se/In-English/The-role-of-the-prosecutor/Preliminary-investigation/Police-or-prosecutor/> (accessed on 4.7.2012).

³⁴ *Polismyndigheternas handläggning av bedrägeriärenden, En uppföljande inspektion*, Inspektionsrapport 2011:9, Rikspolisstyrelsen, Enheten för inspektionsverksamhet, 2012, p 14. See:

http://www.polisen.se/Global/www%20och%20Intrapolis/Rapporter-utredningar/01%20Polisen%20nationellt/Ovriga%20rapporter-utredningar/Inspektioner%20rapporter/2011/Bedrageri_120105_web.pdf (accessed 7.4.2012).

³⁵ RiR 2011:20, p 32-33; *Samverkan mot bidragsbedrägerier, Exemplet Västmanland och Skåne*, Rapport 2008:6, Brottsförebyggande rådet 2008.

³⁶ RiR 2011:20, p 32-33.

³⁷ In the case of less serious crimes, the prosecutor may decide on a so-called summary penalty order (“*strafföreläggande*”) instead of prosecuting. This means that the prosecutor, without a trial, decides that the suspect should pay fines and the suspect agrees to the summary procedure. A precondition for this is that the person suspected of the offence has confessed to it. Summary penalty orders are common in the case of traffic offences, for example speeding. See:

<http://www.domstol.se/Funktioner/English/Legal-proceedings/Trials-in-criminal-cases/> (accessed on 4.7.2012).

³⁸ RiR 2011:20, p 46.

³⁹ This figure includes suspected crimes which occurred before the BCA was enacted. The method of calculation of the numbers differs between the Prosecution Authority and the agencies. Whereas the Prosecution Authority’s data is based on suspicions, the agencies’ data is based on actual cases. One case can include several suspicions.

⁴⁰ RiR 2011:20, p 47.

⁴¹ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar 2008, pp. 47-48.

⁴² *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar 2008, pp. 31, 48.

-
- ⁴³ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar 2008, pp. 31, 48.
- ⁴⁴ Study allowances (*studiehjälp*) are for students in high school, in adult high school diploma programs, and in community colleges. Study allowances can be granted until one turns twenty. Student aid (*studiemedel*) can be granted for at least half-time studies in adult high school diploma programs, community colleges, university colleges and universities.
- ⁴⁵ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar (2008), p. 45.
- ⁴⁶ One is allowed to have a certain income at the same time as one receives student aid. This fixed amount is known as the “income ceiling” (*fribelopp*). If one earns more than the ceiling, both the grant part and the loan part of one’s student aid decrease.
- ⁴⁷ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar (2008), p. 50.
- ⁴⁸ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar (2008), p. 43.
- ⁴⁹ RiR 2011:20, p 31.
- ⁵⁰ *Handledning misstänkt brott*, diarienummer 2010-3919 Rättsavdelningen CSN, 2010.
- ⁵¹ *Rutiner för utredning av misstänkta brott* diarienummer 2010-3919, Rättsavdelningen CSN, 2010.
- ⁵² *Rutiner för utredning av misstänkta brott* diarienummer 2010-3919, Rättsavdelningen CSN, 2010.
- ⁵³ Annual Report CSN, 2009, p. 77.
- ⁵⁴ *Kartläggning av felaktiga utbetalningar av studiemedel för studier vid språkskolor utomlands*, CSN utvecklingsavdelningen, 2008.
- ⁵⁵ *Möjlighet att inhämta uppgifter om felaktiga utbetalningar av ekonomiskt bistånd. En analys av förutsättningar problem och möjligheter* Socialstyrelsen 2012, p 8.
- ⁵⁶ *Rätt utbetalning till rätt person vid rätt tillfälle med rätt belopp* (Sveriges kommuner och landsting) 2009.
- ⁵⁷ SOU 2006:48, p 64, *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar 2008, p 45.
- ⁵⁸ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar (2008), p 45.
- ⁵⁹ *Rätt utbetalning till Rätt person vid Rätt tillfälle med Rätt belopp* (Sveriges kommuner och landsting) 2009, s 10.
- ⁶⁰ *HANDBOK- Individ- och familjeomsorg, socialförvaltningen Jönköpings kommun*, quoted in *Rätt utbetalning till Rätt person vid Rätt tillfälle med Rätt belopp* (Sveriges kommuner och landsting) 2009.
- ⁶¹ *FUT IV- Lägesrapport över arbetet mot felaktiga utbetalningar och bidragsbrott*, FUT/RUT-projektet 2011, Socialförvaltningen, Stockholms stad, p 9.
- ⁶² *Sagt men inte gjort – en granskning av Arbetsförmedlingens arbete för att förhindra felaktiga utbetalningar*, Statskontoret 2009:13, p 43-44.
- ⁶³ RiR 2011:20, p 30.
- ⁶⁴ *Sagt men inte gjort – en granskning av Arbetsförmedlingens arbete för att förhindra felaktiga utbetalningar*, Statskontoret 2009:13, p 39.

-
- ⁶⁵ *Rutiner vid polisanmälan 2008-04-09*, described in *Sagt men inte gjort – en granskning av Arbetsförmedlingens arbete för att förhindra felaktiga utbetalningar*, Statskontoret 2009:13, 44.
- ⁶⁶ *Sagt men inte gjort – en granskning av Arbetsförmedlingens arbete för att förhindra felaktiga utbetalningar*, Statskontoret 2009:13, p 42-44.
- ⁶⁷ RiR 2011:20, p. 32.
- ⁶⁸ RiR 2011:20, p. 41.
- ⁶⁹ Specifically, to receive unemployment benefits, a claimant has to fulfill two criteria: (i) to be registered with the Public Employment Service and actively look for work (or take part in one of their training or re-training programs), and (ii) to be a member of an unemployment insurance fund, and be qualified for payment by being a member the prescribed period of time before becoming unemployed. Before the case even reaches the unemployment insurance fund, the Public Employment Service determines if a person indeed is unemployed. In other words, before a person can request money from the private insurance fund, s/he needs a certificate from the Public Employment Service that he/she is unemployed. Then the fund decides if he/she fulfills their criteria for receiving the money.
- ⁷⁰ RiR 2011:20, p. 62.
- ⁷¹ RiR 2011:20, pp. 54-55.
- ⁷² Statskontoret 2009: 13, p. 52, RiR 2011: 20, p. 72.
- ⁷³ *Sagt men inte gjort – en granskning av Arbetsförmedlingens arbete för att förhindra felaktiga utbetalningar*, Statskontoret 2009:13 (*Said but not done. A review of the Swedish Public Employment Service's work to prevent incorrect payments*, the Swedish Agency for Public Management 2009:13.) Summary in English available at <http://www.statskontoret.se/in-english/publications/2009/said-but-not-done-a-review-of-the-swedish-public-employment-services-work-to-prevent-incorrect-payments-200913/> (accessed 25.10.2012)
- ⁷⁴ Statskontoret 2009:13, p 52-53. See for similar criticism also RiR 2011: 20, p. 72.
- ⁷⁵ RiR 2011: 20, p. 59.
- ⁷⁶ Annual Report, Arbetsförmedlingen 2011, s 71.
- ⁷⁷ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar 2008, p. 39.
- ⁷⁸ *Hur tryggar vi trygghetssystemen? Kontroller och kontrollmetoder*, Rapport 9, Delegationen mot felaktiga utbetalningar 2008, p. 50.
- ⁷⁹ RiR 2011: 20, p. 31
- ⁸⁰ The Prosecution Authority, Rätts PM 2007: 15.
- ⁸¹ The strategy is described in *Redovisning av uppdrag avseende gemensam strategi för att bekämpa bidragsbedrägerier*, dnr 43030-2007, Försäkringskassan.
- ⁸² The Prosecution Authority, Rätts PM 2007:15, p. 5.
- ⁸³ The Prosecution Authority, Rätts PM 2007:15, p. 5.
- ⁸⁴ *Samverkan mot bidragsbedrägerier, exemplet Västmanland och Skåne*, BRÅ 2008: 6.
- ⁸⁵ *Redovisning av uppdrag avseende gemensam strategi för att bekämpa bidragsbedrägerier*, dnr 43030-2007, Försäkringskassan.
- ⁸⁶ *Samverkan mot bidragsbedrägerier, exemplet Västmanland och Skåne*, BRÅ 2008: 6, English summary p. 18.
- ⁸⁷ *Gemensam handlingsplan för att bekämpa bidragsbrott*, Dnr FK: 43030-2007.
- ⁸⁸ SVAR PÅ REGERINGSUPPDRAG Samverkan mot bidragsbrott, Dnr 72133-2009.

-
- ⁸⁹ *Polismyndigheternas handläggning av bedrägeriärenden, En uppföljande inspektion*, Inspektionsrapport 2011:9 s 14.
- ⁹⁰ *Polismyndigheternas handläggning av bedrägeriärenden, En uppföljande inspektion*, Inspektionsrapport 2011:9 s 14.
- ⁹¹ RiR 2011:20, p. 29.
- ⁹² RiR 2011:20 p. 59.
- ⁹³ RiR 2011:20, p. 30.
- ⁹⁴ RiR 2011:20 pp. 52-55.
- ⁹⁵ "How do we secure social security systems? Controls and control methods", Report 9 by the Swedish Commission against Benefit Fraud and Errors, p 26.
- ⁹⁶ BRÅ 2008:6, summary in English published.
- ⁹⁷ BRÅ 2008:6 p. 49.
- ⁹⁸ BRÅ 2008:6 p. 48.
- ⁹⁹ BRÅ 2008:6, p. 50.
- ¹⁰⁰ BRÅ 2008:6, p. 48.
- ¹⁰¹ SVAR PÅ REGERINGSUPPDRAG Samverkan mot bidragsbrott Dnr 72133-2009.
- ¹⁰² *Strategi för socialförsäkringens kontroller*, Riksförsäkringsverket, p. 7-9.
- ¹⁰³ *Strategi för socialförsäkringens kontroller*, Riksförsäkringsverket, pp. 10-11.
- ¹⁰⁴ *Strategi för socialförsäkringens kontroller*, Riksförsäkringsverket, p. 34.
- ¹⁰⁵ See for instance: *Strategi för socialförsäkringens kontroller*; Kontrollutredning vägledning 2004:1 version 9, Försäkringskassan 2012; *Den nya Försäkringskassan, delrapport 4*, Statskontoret 2008:19 p 65; Försäkringskassan. 2009. Annual Report, p. 77.
- ¹⁰⁶ "Fusk?" *Vägledning 2004:1*, Försäkringskassan.
- ¹⁰⁷ The Guidance document is now in its ninth version and has been renamed "Kontrollutredning". For the history of changes in the document, see "Historikbilaga till Vägledning 2004:1".
- ¹⁰⁸ *Försäkringskassans kontrollstrategier*, 2006-09-13, dnr 350161-06-F. I have not been able to find this document and I have requested it from the agency with no result. For a short summary of its contents, see *Den nya Försäkringskassan, delrapport 3*, Statskontoret 2005/298-5 p. 29.
- ¹⁰⁹ *Den nya Försäkringskassan, delrapport 3*, Statskontoret 2005/298-5 p 29, 32; Försäkringskassan. 2008. Annual Report, p 26. The routine for reporting benefit crimes "Rutin för anmälan av brott mot socialförsäkringen" (2008:1) was repealed and merged with the eighth version of the Guidance Document.
- ¹¹⁰ Annual Report Försäkringskassan 2007, p. 113.
- ¹¹¹ Annual Report Försäkringskassan 2010, p 105-06; *Gemensam skrivelse Samverkansuppdraget om utveckling av metoder för och redovisning av resultatet av arbetet mot felaktiga utbetalningar från välfärdssystemen*, Ekonomistyrningsverket 2012:6, s 54.
- ¹¹² <http://www.dn.se/ekonomi/nu-satts-jakten-in-pa-smafuskarna> (accessed 29.10.2012).
- ¹¹³ See for instance a series of reports from Statskontoret "Den nya Försäkringskassan".
- ¹¹⁴ *Den nya Försäkringskassan, delrapport 4*, Statskontoret 2008:19, pp. 21-22.
- ¹¹⁵ Sweden is divided into 21 regions (*län*).
- ¹¹⁶ *Den nya Försäkringskassan, delrapport 4*, Statskontoret 2008:19, p. 64.

-
- ¹¹⁷ *Den nya Försäkringskassan*, delrapport 3 Statskontoret 2005/298-5 pp. 30-31; *Försäkringskassans kontrollarbete drivkrafter och dimensionering* Statskontoret 2010:19 p. 22.
- ¹¹⁸ *Den nya Försäkringskassan*, delrapport 4, Statskontoret 2008:19, pp. 63-65.
- ¹¹⁹ *Den nya Försäkringskassan*, delrapport 4, Statskontoret 2008:19, pp. 63-65.
- ¹²⁰ Försäkringskassan. 2009. Annual Report, p 79.
- ¹²¹ In both the Strategy Report as well as in the Guidance Document, the control measures that the Social Insurance Agency has to its disposal are described.
- ¹²² *Den nya Försäkringskassan*, delrapport 3 Statskontoret 2005/298-5 p. 33; *Kontrollutredning Vägledning* 2004:1, version 9 (2012), p. 37.
- ¹²³ *Kontrollutredning Vägledning* 2004:1, version 9 (2012), p. 11.
- ¹²⁴ Annual report Försäkringskassan 2009, p. 79.
- ¹²⁵ NAO Report, RiR 2011:20, p. 27
- ¹²⁶ See for instance *Försäkringskassan analyserar* 2006:12, s 26.
- ¹²⁷ *Den nya Försäkringskassan*, delrapport 3, Statskontoret 2005/298-5 pp. 30-31.
- ¹²⁸ NAO Report, RiR 2011:20, p. 33.
- ¹²⁹ *Försäkringskassans kontrollstrategier*, dnr 350161-06-F, quoted in Statskontoret 2009:19, p. 65.
- ¹³⁰ Försäkringskassan. 2007. Annual Report, p. 114, Statskontoret 2009:19, p. 65
- ¹³¹ Försäkringskassan. 2007. Annual Report, p. 116.
- ¹³² Försäkringskassan. 2007. Annual Report, p. 117.
- ¹³³ Statskontoret 2009:19, p. 65; *Vägledning* 2004:1, version 9, Försäkringskassan 2012, p 56.
- ¹³⁴ Statskontoret 2009:19, p 65; *Vägledning* 2004:1, version 9 Försäkringskassan 2012, p. 56.
- ¹³⁵ Försäkringskassan. 2010. Annual Report, pp. 105-06
- ¹³⁶ *Polismyndigheternas handläggning av bedrägeriärenden, En uppföljande inspektion*, Inspektionsrapport 2011:9 s 14.
- ¹³⁷ *Den nya Försäkringskassan*, delrapport 4, Statskontoret 2008:19, p 63-68; *Strategi för socialförsäkringens kontroller*, Riksförsäkringsverket p. 24; *Vägledning* 2004:1, version 9 Försäkringskassan 2012, p. 11.
- ¹³⁸ Annual Report Försäkringskassan 2007, p 61-62.
- ¹³⁹ *Riksrapport tillsyn 2001*, Riksförsäkringsverket Anser 2002:2; *Riksförsäkringsverkets tillsyn* (2003).
- ¹⁴⁰ External checks, in relation, for example, to temporary parental benefit, is carried out in another system, namely KVAR.
- ¹⁴¹ *Vägledning* 2004:1, version 9 (2012), p. 12.
- ¹⁴² *Gemensam skrivelse: Samverkansuppdraget om utveckling av metoder för och redovisning av resultatet av arbetet mot felaktiga utbetalningar från välfärdssystemen*, Ekonomistyrningsverket 2012:6, s 57.
- ¹⁴³ Försäkringskassan 2007. Annual Report, p. 118.
- ¹⁴⁴ Waiver of prosecution means that the prosecutor decided not to prosecute even though he believes the suspect to be guilty. This can happen when the suspect has recently has been convicted of another crime, and another conviction would not lead to a harsher punishment. Summary penalty order ("*strafföreläggande*") means that the prosecutor, without a trial, decides that the suspect should pay fines and the suspect agrees to the summary procedure. A precondition for this is that the person suspected of the offence has confessed to it and that the offence is considered less serious.