

Fraud Intelligence

For the prevention, detection and control of fraud in all its guises

White coat wiles

Professionals are in a class of their own when it comes to fraud, says Peter Tickner. A case in point is the fascinating tale of one very dodgy dentist.

People are often taken aback when professionals are found to have perpetrated frauds, whether it is those in the National Health Service (NHS), such as doctors, dentists, chemists and opticians, or in the 'trusted' professions, such as accountants and lawyers. In professions with codes of ethics and standards it is particularly shocking when a member turns out to have committed a significant fraud.

When I ran an audit and investigative department inside Scotland Yard, I used to have dealings with a detective chief inspector in charge of the public sector corruption unit. He often wryly noted that 'bent' professionals were their best clients, as they were usually very articulate about the crime they had committed and could generally be relied upon to come quietly when caught. As a former colleague of mine liked to put it, "fraud is a crime by appointment".

A case from the NHS

In my early days, working as an auditor and investigator in the NHS in the 1970s and 80s, I came across fraudulent practitioners who were doctors, dentists, chemists and opticians. Long after I had moved on, the NHS Counter Fraud Service was set up nationally to tackle the problem of fraudulent professional practitioners and it has scored many notable successes since.

Most people in the UK remember the scandalous case of the ex-army major who cheated in 2001 to win UK£64,000 on Chris Tarrant's 'Who Wants to Be a Millionaire?' television programme. What is far less well-known is that a genuine winner of UK£64,000, just a year later than the mendacious major, was, at the time of his win, committing a prolonged serial fraud on the NHS.

David Heppleston was a Scarborough-based NHS dentist who longed for the limelight and wanted to live an extravagant lifestyle. He wasn't the type to hide his light under a bushel and had a profile in the local

community, organising fund-raising events for local causes. In Christmas 2000 he'd set up a spectacular 15,000 bulb lighting display at his home, which had raised over £1,000 for a local charity. He also ran a wine bar in Scarborough, but the business had been a costly venture and had added to his financial concerns.

Heppleston and his wife kept up their varied business interests through and beyond his UK£64,000 win on 'Who Wants to Be a Millionaire?' right up to his wife's untimely death from a lung condition in October 2005. For a couple of months after her death Heppleston stopped his fraudulent activities although, ironically, the Dental Practice Board was, at the very same time, taking a serious interest in the validity of his claims. Just three months later, the police came calling and to the astonishment of the staff and patients, arrested Heppleston at his surgery on suspicion of defrauding the NHS.

All dentists are independent practitioners and they contract to provide services to the NHS, should they choose to do so. Heppleston's claims, as with other dentists, went directly to the Dental Practice Board for central checking and payment authorisation. Any unusual or unexpected treatments could be given the once-over by a specialist dental adviser. Contracts and practice payments were the responsibility of the local Family Practitioner Committee.

Heppleston wasn't excessively greedy and managed to stay under the radar until 2005, nearly eight years after he had started his frauds. He was always on the lookout for opportunities to earn more money and in 2002 became a contestant on 'Who Wants to Be a Millionaire?' He was successful and walked away with UK£64,000. Despite this, he didn't slacken off his NHS frauds; they continued happily in the background at the same level as before.

Heppleston didn't stand out as a likely fraudster to the NHS Counter Fraud Service until 2005, when, following a routine sample check, the Dental Practice Board became concerned that his provision of expensive crowns was more than four times the national average. They contacted him and asked for

the patient record cards in relation to where he had claimed to fit crowns. At first he ignored them, but when they pressed Heppleston claimed that the record cards had been 'lost' during a burglary at his surgery. The Dental Practice Board became suspicious and checked some patient addresses against the NHS patient database. They realised that a number of them didn't exist and alerted the NHS Counter Fraud Service in November 2005.

A team of NHS counter-fraud specialists took on the case. They had a spreadsheet extracted from the Dental Practice Board systems, which listed patients and addresses where Heppleston had made claims. Within a few weeks, they had identified hundreds of potentially fraudulent claims and in December 2005, they called in the police.

The police arrested Heppleston at his surgery in January 2006, seizing computers and office records. They imaged his computers on site and searched his home, acquiring further evidential material. They took witness statements from key employees of Heppleston's and with assistance from the NHS Counter Fraud Service, visited the dental laboratories that Heppleston had used to make the crowns and other appliances he'd fitted at his surgery.

With police in attendance, the counter-fraud staff interviewed Heppleston under caution at the local police station. Heppleston admitted nothing. The fraud team went back to their offices and started checking details of the genuine dental work supplied by the laboratories for patients that the police had gathered. They could now clearly see that they had a number of over-claims and claims for bogus treatment for 'ghost' patients.

Their professional dental adviser visited selected patients in Scarborough and documented where Heppleston had made false claims for work that genuine patients hadn't had. It was slow, difficult work and they still had a number of gaps where they didn't know if it was a false claim or they had failed to obtain the right records to cross-check the claim.

Once they were able to examine the image of Heppleston's office computer they realised that he had left a massive clue as to how many frauds he had committed and for which patients. Heppleston knew that he couldn't claim more than once for something that the patient could only have once in a given period. Equally, where he could get away with several false claims he didn't want them all going through with the same monthly schedule or that would have immediately drawn attention to that patient and the Dental Practice Board might have started asking awkward questions.

Heppleston solved his problem simply and neatly on his patient database. If he had made one false claim, he marked an asterisk on the card record. For two, two asterisks and so on. Once the fraud team realised that, they had a much simpler task. They sorted the patient records on Heppleston's computer by the asterisks and immediately had a list of 3,880 entries, each one of which related to at least one false claim.

They re-interviewed Heppleston in April 2006. He admitted that all the asterisks represented false claims and then told them that he had done it every month from when he'd started in 1997 right through to the month when he had first been arrested. Heppleston claimed that he had always been short of money, even after he won UK£64,000 on 'Who Wants to Be a Millionaire?'

The Crown Prosecution Service took charge of the prosecution and charged him with 15 specimen charges totalling £151,700 and 85 monthly charges totalling UK£464,200 – a total of UK£615,900. The judge sentenced him to four years' imprisonment in December 2006.

Heppleston appealed, on the ground that he had paid tax on the full amount of his earnings and so he had already repaid part of his 'fraud' in tax revenues. Remarkably, the appeal judges accepted the argument, reducing the total value of the fraud and the sentence to two-and-a-half years!

Case conclusion

Heppleston's reduced sentence on appeal wasn't the end of the case, either for the fraud investigation team or the police. Although at sentencing the judge had noted that Heppleston appeared to have spent all the money, the police applied for a *Proceeds of Crime Act* (POCA) order to recover as much as possible of the fraudulently obtained funds. To everyone's surprise, they found that Heppleston still had some substantial assets, including two houses, shares and a racehorse. At the final confiscation hearing on 2 March 2007, the judge ordered Heppleston to repay UK£259,120 to the NHS by 3 November 2007. The balance of whatever he owed was to be recovered from his NHS pension.

It was a justification of the NHS Counter Fraud Service's policy of pursuing civil as well as criminal claims. Something I have always liked about the NHS Counter Fraud Service is that they have been great believers in multi-tracking, an approach I advocate. If you can nail a villain on different levels then, within reason and available resources, go for it! Criminal convictions are the icing on the cake and the hardest to achieve. If you get them home then a POCA

order can be more effective in recovering assets than just heading down the civil route. But so often, even when the evidence is overwhelming and obvious to any investigator or auditor, the court and the jury are not convinced beyond all reasonable doubt. Without the criminal conviction, there is no POCA. And, even worse, if you have a conviction on one or two counts but the villain was facing ten or more, you could find that the POCA order is only for a fraction of the amount that you know they have defrauded.

My view has always been that as the organisation that has been defrauded, you should never rely on a criminal conviction. If the missing sums are significant to your organisation, then start a civil action as soon as you can. It can always be put on hold once the criminal process starts in earnest. But if you haven't already located or frozen their assets when the criminal process commences you may never get the opportunity again.

Civil and criminal action at the same time is 'twin tracking', the simplest form of multi-tracking. But if you are going to institute civil proceedings, then why stop there? You can also make a formal complaint to any professional body to which your fraudster belongs. David Heppleston was a qualified dentist. The Dental Practice Board and the NHS Counter Fraud

Service applied to the General Dental Council, which struck off Heppleston as a practising dentist in 2008.

NHS counter fraud activity

The NHS Counter Fraud Service has recently undergone a major restructuring and now forms part of NHS Protect (launched on 4 April 2011), which combines national NHS counter-fraud work with other activity to prevent crime against staff and organisations within the NHS.

The new service aims to provide better coordination with centralised specialist services, but insiders have expressed concerns that in the current climate the result is likely to be a reduction in the number of available professional fraud investigators. At a time when fraud is very much on the increase against public services I will be saddened and disappointed if this restructuring and rationalisation process leaves less direct professional investigative effort available to detect and pursue fraudulent NHS practitioners and contractors.

Peter Tickner (www.petertickner.co.uk) – whose career has included heading the internal audit departments at HM Treasury and the Metropolitan Police – is the author of 'How to be a successful fraudster', published by Wiley in 2010. This article is a précis from a chapter in his forthcoming book, 'The successful fraudster's casebook'.