Fraud Counts Newsletter

February 2021



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Conflicts of interest

This edition of the Fraud Counts newsletter focusses on conflicts of interest.

A conflict of interest exists where something in a staff member's non-NHS life competes with their NHS role. In such circumstances, it is crucial that staff members are absolutely transparent about this conflict.

A conflict can be actual or may be perceived; either way, whether real or perceived, it is vital that the right actions are taken to ensure NHS staff are not put into a seriously compromising position.

Many of our readers will be familiar with news stories about certain individuals and companies being given Government contracts and also having ties with senior governmental figures.

We make absolutely no comment about those news stories other than drawing attention to how people have reacted to those stories in casting doubt about the integrity of how public money has been used.

In the same vein, we need to make sure that where NHS staff have outside interests, there can be no question about whether they have used NHS resources without the best interests of the NHS at heart.

A perceived conflict of interest can result in loss of confidence in a person or an organisations ability to deliver their role effectively.



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Suspicions of Fraud and Bribery may be reported anonymously by telephoning the NHS Reporting Line in confidence - 0800 028 40 60 or www.reportnhsfraud.nhs.uk

An illustration of a conflict of interest "going wrong"

An NHS Counter Fraud Authority investigation provides a stark example of such a conflict, the implications when the conflict is not declared and is therefore not managed.

In this case, the CEO and Director of Finance of an Ambulance Trust were suspected of setting up a private business together and not declaring this to their Trust. Forensic examination of the CEO and Finance Director's computer and phones found spreadsheets and other documents that strongly indicated conflicts of interest of such extent that criminality was proved.

Part of the evidence of wrongdoing led to one of the suspects admitting to theft of NHS equipment worth £2,500. He pleaded guilty at court and was sentenced to two six-month sentences (to run consecutively), suspended for 24 months. He was also ordered to undertake 300 hours community service and pay £2,498 in compensation.

The significance for the NHS to have good processes in place to manage potential conflicts of interest came to the fore in 2017 when the Daily Telegraph newspaper investigated whether NHS staff members were inappropriately using their NHS position for personal gain.

The Telegraph investigation revealed that many NHS workers were directly benefiting from hospitality, gifts and payments with some even directly working for pharmaceutical companies.

It discovered that more than 130 NHS officials were involved in assessing which drugs were given to patients and that their assessments were allegedly influenced by their non-NHS roles (acting as paid consultants to pharmaceutical companies).

This example clearly illustrates that, contrary to some people's beliefs, a conflict of interest can exist regardless of when the activity takes place which includes outside of someone's normal NHS working hours.

In March 2018, Andrew Taylor was jailed for 6 years for Fraud by Abuse of Position. Due to the specialist role he performed at Guys and St Thomas Hospital, Taylor was responsible for sourcing and obtaining a best value quote for locksmith supplies to the NHS body.



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He did not tell his employer that the company he was buying from, Surety Security, was actually his own company.

The investigation found that he was applying mark ups of 1,200% and had defrauded the NHS of £598,524.27.

The investigation also established that Taylor was leading a cash rich lifestyle beyond his legitimate means, which included paying for his son to attend a private school whose fees were £1,340.00 a month, and purchasing a brand new car at a cost of £27,400.00.



If you have any suspicions or concerns,
You can call us anonymously on

0800 028 40 60

POWERED BY **CRIMESTOPPERS**

NHS Counter Fraud Authority

Or search 'NHS Fraud' online for more information
The NHS Counter Fraud Authority leads on fighting fraud, bribery and corruption in the NHS and the wider health group

Department of Health & Social Care

Potential conflicts can fall into four distinct categories:

Financial	Non-financial professional interests	Non-financial personal	Indirect interests
•Direct financial benefit, for example, directorships and secondary employment, sponsorship or receipt of grants that competes with the staff member's NHS role which may lead to a perception, rightly or wrongly, that the staff member is inappropriately influenced. Even if someone else's perception is that an NHS staff member's judgement is affected by their external role is mistaken, the perception itself can be difficult to rebut.	•Situations can arise where non-financial benefit can exist. The consequences of a decision can have impacts such as increasing professional reputation or promoting a professional career against NHS interests. For example, an NHS staff member may advocate for a particular group of patients or a particular type of treatment when this is not in tune with the NHS organisation's own stance.	•This may occur when a person benefits personally in ways not directly linked to their professional career. For example, an NHS staff member also being part of a lobbying group or voluntary sector organisation and the decisions they make in their NHS role are influenced by this external association.	•This may occur where a close friend or family member preferentially benefits from a decision made by the NHS staff member either through a recruitment or procurement process, or given preferential treatment as a patient.

Any member of NHS staff with any external interest must be mindful that they can be accused at any time of allowing their external interest to influence what they do in their NHS role. If their external interest is declared to the NHS organisation (most organisations have a straightforward process to do this), then a formal decision can be made about how the conflict of interest will be handled and the staff member will put themselves above reproach.

You can get help and advice on conflicts of interest from your organisation's Company Secretary, or your Local Counter Fraud Specialist, details of which can be found overleaf



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OUR LOCAL COUNTER FRAUD TEAM

Our Local Counter Fraud Specialists are fully accredited with the University of Portsmouth. We aim to prevent and deter fraud and hold those to account who commit fraud against the NHS. Counter Fraud Services are provided by ASW Assurance (www.aswassurance.co.uk), an NHS consortium providing counter fraud and internal audit services to NHS and healthcare organisations. If you would like to know more about our Counter Fraud work or arrange for your department to receive a Fraud Awareness Presentation, please contact your Local Counter Fraud Specialist (LCFS) below.



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