

COURT CASE

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation: That the Committee notes the contents of the report.

1. Introduction

- 1.1. This report is to provide an update to the Committee on a fraud case that involved irregularities in claiming an LGPS pension from the Devon Pension Fund.

2. Pension Irregularities

- 2.1 The details behind this case were presented to the Committee at the February 2018 meeting. It involves Mr Flukes who was a senior employee at the Wolseley Trust, an admitted body organisation in the Devon Fund. Mr Flukes is a high profile individual in the Plymouth area who was awarded an MBE in 2010 for services to the community.
- 2.2 Mr Flukes fraudulently claimed his LGPS pension between April 2009 and March 2015, as he did not actually retire until April 2015. Subsequently he claimed in the region of £260,000 that he was not entitled to.
- 2.3 Peninsula Pensions have processed the retirement on instructions received from the scheme employer. In this case leavers and final pay forms were completed and signed by the Financial Supervisor, Jo Pickles and the Vice Chairman Brian Winsor.

3. Police Investigation

- 3.1 Following the Police investigation and the case referral to the Crown Prosecution Service, Peter Flukes, Jo Pickles and Brian Winsor were charged with "Conspiracy to commit Fraud between the dates of 8th July 2008 and 1st April 2015".
- 3.2 The case went to trial at Plymouth Crown Court and after a dismissal hearing that took place on 14th August, Mr Flukes pleaded guilty to the charge relating to the pension fund but continued to deny a charge relating to paying his late wife a salary from the Wolseley Trust even though she never worked there.

- 3.3 It was decided not to continue with the trial on just the second charge though the charge remains on file. The jury were ordered to find Jo Pickles and Brian Winsor not guilty as the Crown Prosecution Service offered no evidence against them.
- 3.4 Mr Flukes was sentenced on 23rd August to a two year suspended custodial sentence along with the requirement to complete 250 hours of unpaid work. The judge commented that 'Mr Flukes was extremely lucky not be going to prison'.

4. Recovering the overpayment

- 4.1 The Financial Investigation Unit of the Devon and Cornwall Police based in Plymouth have started the process of applying for a confiscation order and a time table was set at the sentencing hearing. The first stage of the process is for Mr Flukes to provide details of all his assets.
- 4.2 A confiscation order is made after conviction to deprive the defendant of the benefit that he has obtained from crime. The order is made against a convicted defendant ordering him to pay the amount of his benefit from crime
- 4.3 Officers are currently working to establish the correct level of benefits now payable to Mr Flukes following his actual retirement in 2015. His pension in payment is likely to be adjusted accordingly.

5. Conclusion

- 5.1 The Police have started the Confiscation Process and officers will continue to work with the police and the Wolseley Trust to pursue the recovery of the overpayments.

Mary Davis

Electoral Divisions: All
Local Government Act 1972
List of Background Papers – Nil
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