



28 June 2023

[Redacted]
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Dear [Redacted]

Thank you for your requests made under the Official Information Act 1982 (OIA), received on 30 May 2023. You requested the following:

23OIA2340

An April 2023 N Z Herald article said that the IRD advised it had 55 staff in its post-payment verification team currently working on auditing Covid payments. So far 397 businesses had been served with demands to repay \$8.3 million, with \$2m already repaid and "the bulk of the balance under instalment arrangements".

"There were some businesses, having received the payments, that applied them for purposes outside the remit of the schemes," an Inland Revenue spokesperson said.

Could you advise whether the statistics stated above are correct or advise any updated statistics if they are immediately available.

If those who received money as a loan did not comply with all the loan conditions, were they asked to repay the loan?

And

23OIA2341

How many cases of potential wage subsidy fraud has the IRD referred to the MSD for investigation? If any other data relating to these cases is immediately available, please provide it?

23OIA2340

Since July 2022, Inland Revenue has been carrying out a post-pandemic integrity process after analysing the total population of COVID-19 payment recipients and has flagged for review the accounts of around 860 customers. Those who received money as a loan that did not comply with all loan conditions were asked to repay the loan.

A total of 548 businesses or organisations who received the COVID-19 Support Payment (CSP), the Resurgence Support Payment (RSP) and the Small Business Cashflow Scheme (SBCS) have been assessed to repay a total of approximately \$17.4m. This includes \$5.762m for the CSP, \$8.658 for the RSP and \$2.995 for the SBCS.

A total of \$2.35m has been repaid in full and partial payments as of 21 June 2023. This figure excludes amounts where arrangements to repay by instalments have been agreed.

23OIA2341

Inland Revenue holds no legal authority under the Wage Subsidy Scheme to formally investigate potential fraud. However, Inland Revenue undertook a range of risk reviews across select populations provided by the Ministry of Social Development (MSD). These reviews included a further review of data held by Inland Revenue to assess Wage Subsidy eligibility.

www.ird.govt.nz

On completion of these reviews, Inland Revenue made three recommendations to MSD:

1. No or low risk – No further action
2. No contact – Follow up (by MSD) required
3. Further Review (by MSD) required

Inland Revenue completed a total of 928 risk reviews. The below table shows the outcome of Inland Revenue Wage Subsidy reviews returned to MSD.

Match – no further action	No or low risk – no further action	High risk – follow up required	No contact – follow up required
415	341	127	45

In addition, as part of Inland Revenue’s annual income tax assessment process, we have directed 92 customers to MSD where an alleged unauthorised application for wage subsidy payments may have been made.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely



Sharyn Rea
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