

House of Commons
Committee of Public Accounts

**AGRICULTURAL FRAUD:
THE CASE OF
JOSEPH BOWDEN**

Fifty-first Report of Session 2001–02

*Report, together with
Proceedings of the Committee,
Minutes of Evidence and an Appendix*

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Committee of Public Accounts

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Footnotes

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FIFTY-FIRST REPORT

The Committee of Public Accounts has agreed to the following Report:

AGRICULTURAL FRAUD: THE CASE OF JOSEPH BOWDEN

INTRODUCTION AND LIST OF CONCLUSIONS AND RECOMMENDATIONS

1. In May 1996, an anonymous tip started a chain of fraud investigations, which led to a farmer, Joseph Bowden, pleading guilty to nine criminal charges and being sentenced in October 2000 to 30 months imprisonment. The amount of money involved in these nine charges was £157,000 (Figure 1). The sentence was the highest ever imposed for such offences. The frauds were committed against the Common Agricultural Policy Schemes in England administered by the then Ministry of Agriculture, Fisheries and Food, and the Intervention Board.¹

Figure 1: Number and value of charges for which Mr Bowden was found guilty²

Charge	Value
4 charges of dishonestly obtaining or attempting to obtain money under the Arable Area Payments Scheme in 1994 – 1996 for growing linseed.	£119,800
4 charges of false accounting on claims to contractors under the Fibre Flax Scheme in 1995 and 1996.	£11,000
1 charge of dishonestly obtaining money by falsely claiming from an insurance company the contents of a barn destroyed by fire in 1995.	£26,000

2. There were nine further charges relating to Mr Bowden's farming activities in 1994–1996, as shown in Figure 2. The value of claims made by Mr Bowden under the three agricultural schemes in the period 1994 – 1996 was some £415,000.³ The Arable Area Payments Scheme is the largest of the Common Agricultural Policy Schemes operating in the United Kingdom. A total of £860 million was paid to farmers under this scheme in 2000–01. The Fibre Flax Scheme was much smaller, paying out £8 million to flax processors in 2000–01.

Figure 2: Charges not resulting in convictions

Pleaded not guilty, found not guilty
3 charges of false accounting under the Fibre Flax Scheme in 1994 – 1996. 3 charges of arson, destroying flax or straw in 1995 – 1996.
Pleaded guilty, charge to lie on file
2 charges of dishonestly obtaining or attempting to obtain £85,400 in insurance claims for the contents of a barn destroyed by fire in January 1996 and December 1996.
1 charge of false accounting in July 1996 in respect of an application under Common Agricultural Policy Structural Funds Objective 5b Scheme.

¹ C&AG's Report, *Agricultural fraud: The case of Joseph Bowden* (HC 615, Session 2001–02), paras 1.1, 2.22 and Figure 1; Ev 28–29, Appendix 1, ref. to Qs 227, 275–288

² C&AG's Report, Figure 1 and para 3.14

³ *ibid*, paras 1.2–1.4 and Figures 1, 2

3. The irregularities against schemes administered by the Ministry and the Board comprised three main elements:

- From 1994 to 1996 Mr Bowden claimed for subsidy payments on some of the same land under both the Arable Area Payments Scheme and under the Fibre Flax Scheme.
- He received or attempted to receive subsidy payments under the Fibre Flax Scheme for the same area of land from two flax processors in 1995 and from three flax processors in 1996.
- In 1997 the Ministry indicated a willingness to fund £84,000, 33 per cent of project expenditure, following a European Structural Funds application (Objective 5b Scheme) from Mr Bowden. This included the new construction of a barn which had already been built and was not therefore eligible for grant.⁴

4. In January 1995, January 1996 and December 1996 there were fires at barns used by Mr Bowden which in each case destroyed the barn and its contents. Each year Mr Bowden informed the contractors for whom he was producing flax that harvested crops were destroyed in barn fires and he was therefore unable to deliver processed crops or seed.⁵

5. In June 2001, the Department for Environment, Food and Rural Affairs (the Department) took the place of the Ministry of Agriculture, Fisheries and Food (the Ministry). In October 2001 the Rural Payments Agency, a newly created agency of the Department, took over responsibilities for all payments, inspections and accounting for Common Agricultural Policy Schemes, including those previously managed by the Ministry and the Intervention Board (the Board). On the basis of a Report by the Comptroller and Auditor General, we took evidence from the Department for Environment, Food and Rural Affairs and the Rural Payments Agency (the Agency) on the Bowden case.

6. Our four main conclusions are:

- **Joseph Bowden was able to perpetrate his frauds over a number of years because controls operated by the Ministry and the Board were weak.** There was no cross checking of claims between the Arable Area Payments and the Fibre Flax Schemes. And until the tip-off, farm inspectors failed to identify that Mr Bowden was claiming for different crops on the same piece of land. Map references for fields were not always required or checked. The ineligible claim under the European Structural Funds Objective 5b Scheme only came to light through the chance transfer of a member of staff who was already aware of investigations into Mr Bowden's claims under the two crop schemes. On identifying Mr Bowden's crop related frauds, the Department failed to review all its other grant schemes for claims by Mr Bowden.
- **The Department and the Agency have taken steps to prevent similar frauds occurring. They plan more sophisticated checks based on new information technology systems expected to be in place by 2004, but measures to improve the quality of inspections, the verification of claims and cross checks between schemes need to be implemented more quickly.** These should include, for example, checks on forensic evidence where crops claimed for are said to be destroyed by fire, whole farm inspections to cover all grant scheme claims, and inspections timed to take better account of the stage of crop growth or harvest to provide robust evidence of existence.

⁴ C&AG's Report, paras 2.5–2.20 and Figure 1

⁵ *ibid*, paras 2.13–2.15

- **The Department and the Board have not pursued irregular claims with sufficient vigour.** The Department recovered only £1,325 from Mr Bowden due to delays in taking recovery action, and due to a failure to question sufficiently rigorously where funds obtained fraudulently by Mr Bowden had gone.
- **The Department had failed to follow up recommendations made by our predecessor Committee in its 25th Report of 1998–99 (MAFF: Arable Area Payments Scheme); and in particular our predecessors' recommendation to compare fraud prevention and detection measures with those of other Government bodies.** The Department should now compare its fraud prevention and detection measures with other Departments and Agencies such as Jobcentre Plus (now within the Department for Work and Pensions) including systems to encourage the reporting of potentially fraudulent claims.

7. Our more specific conclusions and recommendations are set out below:

On steps to prevent similar agricultural frauds in the future

- (i) To prevent a farmer making irregular claims for different schemes on the same area of land, schemes relating to land usage should require map references to be provided. These should be subject to full checks and discrepancies investigated.
- (ii) Farm inspectors should be aware of all claims made by a farmer under Common Agricultural Policy schemes before an inspection visit is made. Additional guidance and training should be provided to inspectors on crop recognition, particularly crops which are difficult to distinguish at certain stages of growth. Inspectors should be encouraged to seek laboratory tests if in doubt about the nature of the crop.
- (iii) The Department should compare its systems for controlling Common Agricultural Policy payments with those of agencies responsible for making grants under European Structural Funds, to ensure its systems meet best practice.
- (iv) When considering applications for grants for structural projects like Mr Bowden's barn, the Department should check that quotations submitted for the works have been subject to competitive tendering, that companies submitting them are genuine, and that any relationship between the applicant and a firm carrying out the works is identified. They should also consider whether site inspection is warranted if significant public funds are to be paid, or obtain confirmation through an independent third party.

On detecting and prosecuting fraud, and recovering monies from offenders

- (v) When a farmer is suspected of committing fraud under one scheme, other schemes should be checked immediately to identify any claims made by the farmer under those schemes, which should then be subject to review.
- (vi) The Department should review its use of criminal prosecution to determine whether it is taking a sufficiently robust approach as a deterrent to others. Where administrative penalties are applied instead of prosecution, the Department should consider publicising appropriate details to help other claimants avoid making similar errors and to encourage applicants to give due attention to the proper completion of claims.
- (vii) The Department and the Agency should monitor which scheme applicants have made errors in their claims in order to assess which future claims may be more

susceptible to error, and hence more worthy of review, and to undertake cross checks across schemes for other irregularities by the same applicant.

- (viii) Where a farmer has submitted irregular claims and eligibility for payment has not been proved, the Department should consider whether such action should jeopardise all claims by the farmer.
- (ix) The Department should review whether its revised guidance on recovery procedures has led to more timely recovery action, and hence an increase in such receipts.

PREVENTING FRAUD

How were the frauds discovered?

8. The frauds began to be uncovered in 1996 following a tip-off to the police that Mr Bowden was growing potatoes, rather than linseed, in fields claimed for under the Arable Area Payments Scheme. Fortunately, the Ministry sent the same inspector who had visited the farm the year before to check fibre flax claims on behalf of the Intervention Board. The allegation about potatoes was untrue but the inspector noticed that Mr Bowden might have been claiming for different crops on the same area of land. The discovery of the European Structural Funds application only emerged when a member of staff working on the Arable Area Payments Scheme, and aware of the investigation into Mr Bowden's claims under the crop schemes, moved into the branch approving Objective 5b projects. On hearing of Mr Bowden's approved grant application under the Objective 5b Scheme, the staff member alerted managers who suspended Mr Bowden's application.⁶

Why did standard checks not identify irregularity?

9. Until 1996 there were no cross checks between claims made under the Arable Area Payments and the Fibre Flax Schemes. The two schemes were administered by, respectively, the Ministry and the Board using separate systems. At that time, it was therefore possible for an individual to make duplicate claims for the same area of land under the two schemes hoping they would be one of the 95 per cent of arable claimants who were not selected for an inspection visit. Inspectors had failed to identify the duplicate land usage on two separate visits to Joseph Bowden's farm in September 1994 and April 1995 to check fibre flax claims.⁷

10. The Department said that in-house and external training was given to inspectors but their task was not always straightforward. In September 1994 it might have been difficult to differentiate between linseed and the variety of flax which Mr Bowden was claiming to grow because, for example, of the stage of crop growth. At the April 1995 inspection the crop would have been harvested. However, a barn fire in January 1995 had apparently destroyed the processed crops, which were not therefore available for inspection. In such cases, the inspection report that flax had been grown would have been based on a review of seed invoices or stubble. The Department regarded this as satisfactory. The Department and Board were unable to say whether the inspectors would normally be aware of incidents such as fires prior to inspection or whether successive barn fires in 1995 and 1996 would have increased the likelihood of Mr Bowden's farm being selected for inspection.⁸

11. The inspectors were not required to carry out whole farm checks to inspect all the crops for which grants were being claimed. The Department acknowledged that if inspectors

⁶ C&AG's Report, paras 2.21–2.25

⁷ Qs 2, 180–190

⁸ Qs 91–107, 168–174, 221–222

had been given more complete information about the schemes and crops being claimed for by the farmer in advance of inspection visits, fraudulent claims might have been identified earlier.⁹

Weaknesses in controls and action taken

12. As part of its investigation the Ministry undertook a 100 per cent cross check of Arable Area Payments and Fibre Flax Scheme claims from 1993, the date of introduction of the schemes. No other duplicate claims had been found. The Department considered it was highly unlikely that a similar fraud could be committed now. There were, however, a number of investigations in hand and a prosecution pending about misdeclarations in respect of flax harvest claims made in the period 1997 to 2000.¹⁰

13. The Department said that when introduced by the European Union in 1993, the Fibre Flax Scheme had some weaknesses which made it open to abuse. Action was taken from 1997 onwards to address the flaws, as shown in Figure 3.

Figure 3: Weaknesses in the Flax Scheme and action taken¹¹

Weakness	Action Taken
<p>Before 1997 payment was not dependent on the processing of crops and could still be paid even if crops were destroyed by fire.¹²</p>	<p>From 1997, the European Union made it a requirement that flax was processed, unless prevented by exceptional weather conditions. The Department considered it unlikely that if the crops had been destroyed by fire after 1997 a payment would have been made to the contractor and thence to the farmer.¹³</p>
<p>Farmers were expected to identify fields only by name; and if grid references were provided they were not checked in detail. While the final digits of the references Mr Bowden invented fell within normal ranges, the initial digits, if examined by experts, would have located the fields in Greenland, the North Sea and the sea between Scotland and Iceland.¹⁴ The Board did not have systems which could check whether a farmer had made multiple contracts under the same or similar names, with more than one flax company, or which could identify duplicate claims by one or more farmers for the same area of land.¹⁵</p>	<p>In 1999, the Fibre Flax Scheme been taken under the umbrella of the Integrated Administration and Control System, already applied to the Arable Area Payments Scheme, a computerised system incorporating automatic checks. Since 2001 there has been no separate Fibre Flax Scheme. These changes mean that full map references are now required for all crops, and references are subject to automatic validation.¹⁶</p>

⁹ Qs 4, 28

¹⁰ Qs 2-3, 10-12, 17, 223, 229

¹¹ Qs 10-11

¹² Qs 166, 215-218, 250-251

¹³ Qs 218-220

¹⁴ Qs 16, 29-30, 83-88, 135-142, 272-274

¹⁵ C&AG's Report, para 3.7

¹⁶ Qs 185, 249; C&AG's Report, para 13 and Box 1

14. The checks on Mr Bowden's Objective 5b application were insufficient to identify that the barn was already built or that the claimant was under investigation for fraud in connection with other schemes. The Department said that formal competitive tendering was not a requirement for small capital projects. However, confirmation by technical staff that the most cost-effective options had been identified would normally have been demonstrated by applicants having sought tenders. The Ministry also failed to detect that the construction company Joseph Bowden proposed to use to build the barn was connected to himself. The Department noted that the Objective 5b Scheme had ended in 1999 and had been replaced by support under the England Rural Development Programme. Under this Programme, a fuller assessment of applicants' finances was made in determining the eligibility for grants.¹⁷

15. Other organisational changes and improvements were planned although new systems and structures were unlikely to be fully in place until 2004. These include:

- The consolidation, in October 2001, of the payment functions of the former Ministry's Regional Service Centres and the Intervention Board into a single body, the Rural Payments Agency, was expected to improve joined up administration.
- The Rural Payments Agency is responsible for all Common Agricultural Policy schemes in England previously managed by the Ministry and by the Intervention Board. There is now a single inspectorate and there is some movement towards a "whole farm approach" to monitoring claims under agricultural schemes. The Agency was not responsible for the England Rural Development Programme, which was managed by the Rural Development Service, although the Agency would make the payments for this scheme.¹⁸
- The Department and the Agency still had several separate databases which could not make automatic checks for duplicate names or aliases. However, the Agency was developing a system of business identifiers, which farmers would use to identify a farm or a particular field. This system would be in place by 2004.
- The Agency was also creating a land register based on a digital database of 1.7 million parcels of land, to enable the identification of multiple applications. The register would be able to check every land parcel and identify its correct geographical place on a map.¹⁹
- Other planned actions included investment in new information technology systems costing some £130 million which, amongst other things, would increase the level and ease of automated checking of claims.²⁰

DEALING WITH FRAUD

Detection and prosecution

16. The initial investigation in 1996 by the Intervention Board focussed on Mr Bowden's claims under the two crop schemes. Once fraudulent activity had been suspected, there was no trigger to check for claims under other farming schemes. It was not until 1997 that his claim for Objective 5b monies began to be investigated, and that investigation was only triggered because of the chance movement of a member of staff.²¹

¹⁷ Qs 19–27, 111–114; Ev 27–28, Appendix 1, ref. to Qs 111–113

¹⁸ C&AG's Report, para 12

¹⁹ Qs 18, 157–161

²⁰ Qs 6, 15, 143–144, 206–211

²¹ Q145

17. A report by our predecessor Committee in 1998–99²² showed that almost half of the 25 cases of suspected fraud referred for investigation resulted from tip-offs to the Ministry's regional offices by farmers.²³ It recommended that the Ministry should do more to encourage the exposure of those trying to defraud the taxpayer, and to take account of the experience of other departments. It also recommended that the Ministry review its criteria for prosecution, such as the potential size of judicial penalties, the value of the irregularity and the claimant's past behaviour. It suggested taking account of the deterrent effect of prosecution on others tempted to abuse the system, and noted the approach of other government departments such as the Benefits Agency (now Jobcentre Plus, within the Department for Work and Pensions).²⁴ The Department had not acted fully upon these recommendations, particularly to compare its approach with those of other Departments and Agencies. It has now undertaken to do so.²⁵

18. The Agency operated a freephone fraud line that received, on average, 2,500 calls a year based on the experience of the Intervention Board. Not all of these related to suspected fraud. For example, in 2001 only 46 freephone calls were identified as relating to possible fraud, and of these only 11 were found to be worthy of more detailed investigation with a view to taking action in the courts.²⁶

19. In addition to tip-offs, investigations arose from other sources such as office checks and physical inspections. The Agency had seen no perceptible shift in the proportion of investigations originating from tip-offs, which on average is 6 per cent. The Agency did not pay incentives to those who provided information leading to savings in public money. It agreed to consider the experience of others, and the Department planned to consider extending the free phone fraud line approach beyond the Rural Payments Agency.²⁷

20. Since 1997, the average time from start of an investigation to conclusion of court proceedings has increased from over one year to three years (Figure 4). The Department noted that the time taken could be beyond the control of investigators. Taking the figures for the last five years, 39 out of 558 investigations (7 per cent) had resulted in prosecution. A further 15 cases, 10 in 2000 and 5 in 2001, had resulted in warning letters to claimants where there was no public interest in taking the case to prosecution. Successful criminal prosecutions were publicised.²⁸

21. The Department and Agency said that where the evidence of the case was insufficient for a prosecution, it could still provide the basis for other action such as administrative penalties. Penalties ranged from a specified reduction in aid payment to complete loss of entitlement for up to three years. Administrative penalties were summarised in the Department's annual report and accounts but there was no system to name offenders. The Agency is reviewing the scope for more frequent reporting of the level of administrative action taken.²⁹

²² 25th Report from the Committee of Public Accounts, *MAFF: Arable Area Payments Scheme* (HC 306, Session 1998-99)

²³ *ibid* para 48

²⁴ 25th Report from the Committee of Public Accounts, *MAFF: Arable Area Payments Scheme* (HC 306, Session 1998-99), paras 6, 7(x), 7(xi)

²⁵ Qs 38, 55, 125–129, 288–289

²⁶ Qs 41–43; Ev 26–27, Appendix 1, ref. to Qs 44, 65–74, 148, 150, 156, 235–242, 295, 298

²⁷ Qs 45–51, 156

²⁸ Ev 26–27, Appendix 1, ref. to Qs 44, 65–74, 148, 150, 156, 235–242, 295, 298; Ev 30, Annex A

²⁹ Qs 56–58

Figure 4: Investigations and prosecutions in 1997–2001

Year	Number of investigations started	Number of prosecutions (all successful)	Average time taken (in months) from start of investigation to conclusion of court proceedings
1997	137	6	14
1998	99	4	23
1999	87	8	30
2000	161	10	27
2001	74	11	37
Total	558	39	

Note: Due to the time taken to investigate the cases prosecuted in a year do not necessarily relate to the cases investigated in that year.

Source: *Ex-Intervention Board prosecution statistics*³⁰

22. Figure 5 shows the administrative penalties applied in 2000 on the main Common Agricultural Policy Schemes, as reported to the European Commission. The Agency was unable to provide us with details of the people to whom administrative penalties had been applied.³¹

Figure 5: Administrative penalties applied on livestock and arable schemes in 2000³²

Scheme	Number of Applicants	Penalties Applied
Livestock Schemes	171,145	12,979
Arable Area	73,059	7,662

23. The Committee questioned the success of the Anti-Fraud Unit given the time taken to bring prosecutions to court, and the small number of prosecutions. The Department noted that the Unit consisted of 60 people, of whom only a third were involved in investigations which might lead to prosecutions. There was no direct correlation between the number of investigations and the number of prosecutions, as shown in Figure 6. Out of 81 prosecutions by the Board in 1991 – 2001, 79 had been “successful”.³³

Figure 6: Number of investigators and prosecutions³⁴

	91	92	93	94	95	96	97	98	99	00	01
Number of investigators	5	5	8	5	6	13	16	18	19	21	18
Number of prosecutions per investigator	1.4	1.4	0.9	0.6	1.2	0.9	0.4	0.2	0.4	0.5	0.6

³⁰ Ev 30, Annex A

³¹ Qs 59–64; Ev 27, Appendix 1, ref. to Q 64

³² Ev 31, Appendix 1, Annex B

³³ Qs 224–225, 245–247, 252–254, 259–262, 267

³⁴ Ev 30, Appendix 1, Annex A

24. In the year 2000, for the first time, European Union member states were required to report fraud cases separately from cases of irregularity. Irregularities involve errors or omissions, rather than intentional attempts to deceive. In 2000 member states reported 2,967 irregularities amounting to some £298 million. 393 of the cases, worth £12 million, related to the United Kingdom. Of the 408 cases identified as suspected fraud in that year 34 related to the United Kingdom. Further analysis by the Department showed that the United Kingdom generally accounted for 10 to 13 per cent of the volume of irregularities but only two to five per cent by value. The Department suggested that these figures showed that control mechanisms were minimising irregularities in the United Kingdom, and that where problems and errors occurred, controls were effective in identifying them.³⁵

RECOVERY OF MONEY

25. If Joseph Bowden had succeeded in all his applications for payments during the period 1994 to 1997, he might have received up to £415,000 from public sector schemes. (Figure 7). In fact he received only £221,000 since doubts about his claims were discovered in time for some payments to be withheld.³⁶

Figure 7: Value of applications by Mr Bowden and amounts paid 1994–1997³⁷

Source	Claims £	Actually paid £
Arable area scheme	120,000	80,000
Fibre flax scheme	211,000	141,000
Objective 5b	85,000	Nil
Total	415,000	221,000

26. The Ministry did not immediately attempt to recover the £80,000 paid to him under the Arable Area Payments Scheme, awaiting criminal court proceedings. By 1998, however, Mr Bowden was in financial difficulty and sought an Individual Voluntary Arrangement with his creditors. This enabled him to continue in business whilst seeking to pay off a portion of his debts. The Ministry, holding 38 per cent of his debt, voted in favour of the proposal. In the event, the Ministry received only £1,325 under the arrangement. It wrote off the debt, together with accrued interest thereon amounting by 2001 to some £111,000.³⁸

27. Before supporting the Individual Voluntary Arrangement proposed by Mr Bowden, the Department ought to have reviewed the financial position of Mr Bowden and related parties. Mr Bowden's application for Objective 5b monies included a tender from a trading company with an address where the council tax was paid in the name of Bowden; and J H Bowden & Son was one of the trading names used in his dealings with contractors under the Fibre Flax Scheme. Mr Bowden was, however, on the verge of bankruptcy by 1998 despite having received significant income fraudulently from the private and public sector. The Department said that they had no evidence of money being hidden away.³⁹

28. The Department had not sought to recover from Joseph Bowden any of the £141,000 he received via flax processors operating the Fibre Flax Scheme. Inspection reports in 1994 and 1995 had indicated that he was growing flax, and the Judge had directed that not guilty verdicts be entered in respect of charges of false accounting under the Fibre Flax Scheme. The claims in respect of land on which he had entered into contracts with more than one flax

³⁵ Qs 14, 121–124, 230–232; Ev 26, Appendix 1, ref. to Qs 44, 65–74, 148, 150, 156, 235–242, 295, 298

³⁶ Q7

³⁷ C&AG's Report, Figure 2

³⁸ *ibid.*, paras 3.13–3.16; Qs 7–8, 285

³⁹ Qs 74–82, 269–270; C&AG's Report, paras 2.16, 3.7, 3.12

processor amounted to some £11,000. This had been written off as irrecoverable, and no claim had been made for recovery from the flax processors, on the grounds that the processors had believed the claims to be in good faith, and that it was not in the public interest to seek recovery from them.⁴⁰

29. We asked if the Department could penalise farmers caught defrauding under one scheme by stopping all other claims. The Department acknowledged this happened within discrete elements of Common Agricultural Policy schemes. For example, if there was a fraudulent claim within livestock subsidies the farmer would jeopardise all his livestock claims. The farmer could, however, still claim successfully for crop subsidies. The difficulty in extending penalties beyond the scheme under which a fraud had been proved lay partly in the need to prove intent to defraud.⁴¹

30. Procedures for beginning recovery proceedings had been tightened since the case. The Department's guidance was amended in 2000 to ensure action would be taken promptly to recover money. The Department was now reviewing the clarity of this guidance.⁴²

⁴⁰ Qs 163, 220; Ev 28-29, Appendix 1, ref. to Qs 227, 275-288

⁴¹ Qs 191-197

⁴² Qs 9, 268-271

MINUTES OF PROCEEDINGS OF
THE COMMITTEE OF PUBLIC ACCOUNTS

SESSION 2001–02

WEDNESDAY 6 MARCH 2002

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon	Mr George Osborne
Mr Ian Davidson	Mr David Rendel
Mr Barry Gardiner	Mr Gerry Steinberg
Mr Nick Gibb	Jon Trickett
Mr Brian Jenkins	Mr Alan Williams

Mr Tim Burr, Deputy Comptroller and Auditor General, was further examined.

The Committee deliberated.

Mr Rob Molan, Second Treasury Officer of Accounts, was examined.

The Comptroller and Auditor General's Report on Agricultural fraud: The case of Joseph Bowden (HC 615) was considered.

Mr Brian Bender CB, Permanent Secretary, Department for Environment, Food and Rural Affairs, was further examined; and Mr Johnston McNeill, Chief Executive, and Mr Hugh MacKinnon, Operations Director, Rural Payments Agency, were examined (HC 684-i).

Mr George Osborne declared an interest as having been a Special Adviser to the Ministry of Agriculture, Fisheries and Food between 1995 and 1997.

A division of the House being called, the Chairman suspended the meeting for ten minutes.

The Committee resumed.

The witnesses were further examined.

The witnesses withdrew.

The Committee further deliberated.

* * * * *

[Adjourned until Monday 11 March at half past Four o'clock.

* * * * *

WEDNESDAY 17 JULY 2002

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Geraint Davies
Mr Frank Field
Mr Nick Gibb
Mr Brian Jenkins
Mr Nigel Jones

Mr George Osborne
Mr David Rendel
Mr Gerry Steinberg
Jon Trickett
Mr Alan Williams

Mr Tim Burr, Deputy Comptroller and Auditor General, was further examined.

The Committee deliberated.

* * * * *

Draft Report (Agricultural fraud: The case of Joseph Bowden), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 6 read and agreed to.

Paragraph 7 postponed.

Paragraphs 8 to 30 read and agreed to.

Postponed paragraph 7 read and agreed to.

Resolved, That the Report be the Fifty-first Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order No. 134 (Select Committees (Reports)) be applied to the Report.

* * * * *

[Adjourned until Monday 21 October at Four o'clock.]