

I am a compliance officer with Centrelink. I'm writing because I along with so many of my co-workers have tried to stop the wrong that is being done to thousands of our customers on a daily basis and I can no longer live with what we are doing. I spoke confidentially with my wife and she has urged me to speak out about what is actually happening inside Centrelink, before it is covered up. Both myself and my wife understand this could mean that I lose my position.

What is known to date is literally the tip of the iceberg compared to the true scope of the deliberate wrongful actions that are being deployed under the departments Online Compliance Intervention (OCI) review process which is raising debts that are incorrect for far more reasons than anyone outside the organisation knows about.

Within the organisation it is well known that there are errors in the program and compliance officers are directed to ignore incorrect debts without being permitted to correct them. When we report errors it falls on deaf ears or we are told that the issue is already known and we must not make any attempt to fix the error or our work will be returned as wrong and we will have to cancel the corrections.

A small percentage of reviews drop out for manual intervention and this is where we as officers are seeing the multitude of errors that are leading to debts being raised incorrectly. A massive proportion simply raise automatically without a human ever seeing the errors. Compliance officers like myself are bound by tight rules that direct us to leave duplicated income, not correct debts based on information already provided by customers, leave in income that is legally not assessable, not correct debts for income that has been declared and coded to other parts of our system based on how we break income up (that customers know nothing about) and leave income that is doubled up. We are forced to do nothing about errors occurring within our online debt explanation system (ADEX) where OCI believes that credits that were manually zeroed out were paid when they weren't.

Staff are also bound by timeframes so short, 18 minutes per case that they can in that time not check for these errors – we have been told that these timeframes exist because staff should not be checking for errors when they are not permitted to fix them anyway.

Outlined below are a number of significant issues that are contributing to millions of dollars of incorrect debts being issued to customers. Every single one of these issues is known to the department. Based on what I have seen every single customer should appeal their overpayment, not just reassess online but go through the full appeal process all the way to the tribunal.

Duplicated Income

Fuzzy Matching

In the first few weeks of the OCI process hundreds of us reported repeatedly that when a review dropped offline for a staff member to remedy an assessment warning error (AWE) that they were noticing the customer had actually declared the income but that the OCI process had coded it again. We were directed not to correct the error but to just fix the AWE and put the review back online, if customers found out the income had been duplicated they could appeal it. Customers very rarely find out.

Eventually after thousands of reviews were processed with incorrect debts the OCI Helpdesk advised that they were aware that the fuzzy logic was flawed and staff could correct cases with load dates of prior to 30 September 2016. There was no permission to fix the thousands of debts already raised using doubled up earnings and no mention of fixing the 10's of thousands of cases that had automatically gone through with incorrect debts online.

Instructions were explicit we were not to fix any reviews with load dates after the 30th of September, these were to continue to be put through with the duplicated earnings remaining and the incorrect debts left. We continued to notify our leaders and the OCI Helpdesks that even post 30 September load dates we were still seeing hundreds of cases per day with duplicated income. The official response was that these were correct and no one was permitted to fix them.

Basically, this means that our system duplicates the customer's incomes and then raises a debt claiming the customer declared nothing. When the customer calls to try and tell us they did declare we ask for proof and because it is so long ago, in many cases from 2010, the customer cannot provide evidence.

After many weeks an official explanation was released;

Clarification of OCI fuzzy matching logic and escalation procedures

Fuzzy matching uses word logic to compare the employer name reported by the customer to the employer name matched from the Australian Taxation Office (ATO). The systems match where at least 50% of the words are the same. Please note there is no logic to join multiple words or recognise words separated by punctuation marks.

Three examples have been listed below where fuzzy matching will not occur as the system has not recognised that 50% of the words match. In these cases the system is working.

Example 1 – 0/2 words match

EAN "KING SIZE BIG AND TALL"

ATO "KINGSIZE MENSWEAR"

Example 2 – 1/3 words match

EANS "LABOUR POWER RECRUITMENT"

ATO "LABOURPOWER RECRUITMENT SERVICES PTY LTD"

Example 3 – 0/2 words match

EAN "EE FIT INSULATION"

ATO "EE-FIT PTY LTD"

Where you identify that fuzzy matching has not occurred, but the system has worked as it should based on the above logic, the outcome of the intervention should not be altered the customer should be encouraged to go online to complete a reassessment. No reports to the OCI Helpdesk are required in these cases.

This explanation leaves our hands tied, if we fix the duplicated income it is returned as wrong by a quality checking officer. Customers not aware that their income had been duplicated don't know to appeal, if a customer did go online to try to navigate the review for the first few months they couldn't even see that the income existed under a slightly different variation of the employer name and the system processes thousands of cases a week without the customer ever seeing the review details. On top of this there are so many errors within the OCI process that a customer can never possibly guess at the reason they should appeal. If they do not spell it out we do not correct it and in many cases even if they do spell it out there are multiple errors and we only correct the ones the customer identifies.

Income coded in multiple locations for an employer

Earned income is broken down into categories for assessment by Centrelink, therefore commission income will be coded to a separate screen, termination and leave payments to a separate screen, lump sums to a separate screen and so on. This is known to staff, it is not known to customers therefore when a review occurs we must check that that employer's income isn't listed elsewhere and if so account for it. OCI does not in any way shape or form account for it. It simply applies all the income again on the primary earnings screen and doubles up any income coded elsewhere. We are directed not to look for or correct for this issue. In fact we are told it isn't an issue, it is what OCI has been designed to do. Our work is returned as incorrect if we try to adjust the income that has been doubled up. Online thousands per day process without any human intervention with this occurring. Customers could not see the alternative coding for months when the OCI process was rolled out and had to understand the programmers logic in not just confirming that they worked for a particular employer for a particular amount that year but that they also needed to from several years ago recall that Centrelink put some of that income on a separate screen which they need to account for through drop down boxes which are meaningless to customers. Most customers never know the amounts are coded elsewhere and simply trust that Centrelink is assessing the income all in one place. We have been told that now customers can see the income but I have tried to guide customers through the screens and it is incredibly difficult to find as an officer let alone as a customer and most reviews go through with customers never seeing the information.

Previously verified income

Thousands of reviews occur per year where staff have previously checked payslips and coded verified income to the customers' record. When this occurs we check for non-assessable income exempt from Centrelink assessment such as reimbursement type allowances E.G. meal allowances, laundry, uniform and some types of backpay etc. The OCI process simply goes over this previously verified income and recodes its own. It puts back in all the income that is exempt from assessment and staff are not allowed to fix it by removing it. Debt are being raised solely on a year or more of exempt income.

Automatic Debt Explanations (ADEX) Credits

Centrelink uses an online debt explanation tool which OCI is not fully compatible with. If arrears have been zeroed out manually and never paid to the customer OCI doesn't recognise they were not paid and treats the amounts as having been paid recovering these amounts. This occurs for example when a customer lodges new information and we deem it to late for a back dated payment to be made. The payment generated is manually zeroed out by a Centrelink officer. OCI does not read that the amounts were not paid and raises a debt against them.

What is however most alarming is that for over a decade reviews have generated credits that are outside the debt period and a compliance officer has as directed removed these credits so that they do not offset (reduce) the debt amount. OCI however does not recognise that these credits were not permitted and simply treats them as though they were offset and again recovers amounts that were NEVER ACTUALLY PAID.

As mentioned for over a decade credits have been removed that could otherwise reduce a customer's debt (where they fall outside the debt period). To counteract the flood of rework because OCI does not recognise that the credits were removed and therefore adjusted group certificates rejecting because we are recovering more money than the customer was paid they decided to now allow credits to remain as an offset. Most of these over recoveries are however never detected at all because you would have to fully reduce someone's payments to nil before it would become visible (most debts reduce a customer's payments only partially). The permission to now allow credits within a review year to offset at the beginning or end of a debt period in no way addresses the issue of OCI still treating credits as existing for all the reviews it calculates debts for where previous compliance debts have occurred and this number is in the hundreds of thousands as we are going back so far nor does it fix the problem of manually zeroed out arrears.

The decision has not been backdated either so that all customers that have had debts raised historically either by OCI or through traditional reviews remain disadvantaged.

Multical

Multical is a manual debt calculation tool used by compliance officers when the online debt explanation tool does not work. It is used in an enormous amount of compliance reviews and it has an enormous amount of known and unreported faults. In short there are pages of reported errors that mean that Multical calculates incorrectly and we, if savvy enough to identify that our calculation is affected have only one option, to manually calculate the case. Not a single hour of training has ever been provided to staff to do this, we simply try to muddle through and with no guidance more often than not get it wrong, that is if we even work out that the spreadsheet calculated incorrectly in the first place. This has been going on for many years.

Quality Checking

QOL is what we call quality checking of our work, for a staff member that has been in the organisation for a while only 5% of our work is checked, for a new staff member it can be 100%. The OCI process has brought in 100's of new staff in non-ongoing positions, these staff struggle with the complex system and broken tools and their work is often wrong. When OCI initiated a direction was given to quality checking officers to pass all OCI work, not to check it just to put it through. This direction was later changed many times with different variations – check just the warning error part (usually not related to earnings), check only the debt result (if the year is right don't check the amount). The variations of direction continue but the theme is the same, check very little, return things as incorrect if staff attempt to fix the coding that the OCI has incorrectly coded and meet strict productivity rates that ensure work cannot be thoroughly checked in the first place.

Evidence already on the system

We are not permitted to check what verification has already been provided by a customer.

This includes;

- Evidence that a customer was not working – medical certificates, notices from employers confirming termination, notices from employers confirming non employment and no leave payments during certain periods etc.
- Payslips provided by the customer or employer, previous review verification for the employer.

We are told we cannot do this because we only get a tiny amount of the reviews dropped through for manual intervention and the online OCI process does not check so we cannot advantage any customers whose reviews drop through by checking their records.

Age of reviews

- The reviews are so old that of the very few customers that can actually get through to us the most common issue they report is that they know they did not work while on payment for part of the year but that they cannot prove it because their employer does not keep payslips from more than 5 years ago.
- Debts are raised under combined payment types so customers cannot see that they were on sickness allowance for part of that year which would trigger them to appeal because they have already provided evidence.

AGE Pensioners

Age pensioners who are exempt from having termination payments assessed are having these payments assessed as earnings by the OCI process with debts then being raised fully on income that Centrelink already has evidence of via the customer's pension claim documents that was fully non assessable income. This means we are knowingly raising age pension debts for exempt income which applied over a whole year leaves many pensions with massive debts in the thousands of dollars. We are not permitted to check or fix this and even if we ever are given permission to fix it thousands of age pension reviews go through without a human ever seeing it and therefore raise incorrect debts for age pensioners anyway. They tell us this shouldn't happen because the termination payment will be shown separately on the match data but that simply isn't the case for thousands of matches.

Apportionment of income

The OCI process does not code the income in the first and last fortnight of a financial year even if that fortnight is fully within the financial year and fully verified. This means staff are directed to recode what was previously declared. This amount is often far higher than the averaged amount and means the customer is assessed as earning more in the financial year than the ATO match data confirms they earned.

Recovery fees

Designed to penalise customers after they provide no reasonable explanation for under declaring. Policy states that customers must first be contacted and assessed as not being vulnerable to have fully understood their declaration requirements along with having no reasonable excuse and their actions must be found to have been deliberate in the act of being overpaid. Under OCI recovery fees are simply applied in most cases even if a customer has never been contacted or spoken to a staff member. There is an option for customers to negate the fee online in the review process but this almost never occurs.

Normally when we see a reason to remove the fee on the customers' record or after a conversation we realise the fee should not be applied we remove and document why. Under OCI strict direction has been given that we cannot remove the fee and customers must lodge a separate appeal even if it is obvious it should not apply.

When customers reassess online staff are constantly finding that even if the debt adjusts from say \$6000 with a \$600 fee to \$800 which should have then a \$80- fee that the OCI system will not adjust the fee or will adjust it to a massively incorrect figure that in no way correlates to 10%, it can be and often is more than 100% of the newly corrected debt amount.

Match Data

There is a known issue with the ATO match information displaying amounts in wrong categories for several financial years. We must account for this, OCI however does not. This means that should a customer have a match in one of these financial years and have for example fringe benefits shown on their match information the amount will show in the wrong box and OCI will apply the full amount against the customer instead of the grossed down amount which is significantly less.

Paid Parental Leave (PPL)

Where Centrelink or the employer has paid PPL amounts OCI will ignore the rules for these payments and treat them as assessable earned income and simply apply them to the earnings screen. We are directed in writing not to fix the issue regardless of knowing that we are assessing income incorrectly because the customer has not responded or because the customer has accepted the match information – the customer does not realise that PPL can be treated 2 ways.

There are dozens more examples and directions given to staff that ensure that customers even in the review appeal stages do not achieve a correct outcome. For example, under appeal if we see the customer has checked the box that says they agree that they earned that amount for that employer and we can also see full well that some of that customers' income included exempt allowances we are not permitted to correct it. The direction is given because we must accept the customers' acceptance of the income. Customers however simply do not know that some of their income is exempt. We are struggling daily with our consciences and pushing back against our leaders every single day. We are telling the OCI Helpdesk over and over that what we are doing is wrong. Nothing changes and gradually I can see officers simply accepting that they are powerless to change anything, powerless to help customers have accurate outcomes and powerless to stop this process. I see these reviews every working day and I am horrified at what I am being directed to do. I am risking my job sending this information in the desperate hope that exposing such a corrupt and unjust system might just make a difference.

Please help