

**To:** Samantha Turnbull[samantha.turnbull@ofgem.gov.uk]  
**From:** Edmund Ward  
**Sent:** 2016-12-09T16:20:44Z  
**Importance:** Normal  
**Subject:** RE: URGENT: Suspected Fraud Case - S Brimstone's RHI appl no redacted by the RHI Inquiry [OFFICIAL Internal Only]  
**Received:** 2016-12-09T16:20:45Z  
**NI** S Brimstone's RHI appl no redacted by the RHI Inquiry [Compliance case summary.docx](#)

Hi Sam

Please see below my proposed summary; I've suggested removing a couple of lines from your summary (as per strike-through); are you happy with the below?

Thanks  
Edmund

Ofgem has conducted non-compliance and possible suspected fraud investigations in respect of S Brimstone's RHI appl no redacted by the RHI Inquiry. This has been in line with our standard approach, involving separate workstreams being conducted in relation to non-compliance and possible suspected fraud. More details are available as per separate workstream summaries below/attached, but key milestones are as follows, in black (possible suspected fraud investigation) and blue (audit and non-compliance actions):

#### 10 May 2016

Ofgem received an anonymous external allegation in the form of a letter with no contact details. The notifier claimed that the party in question has a wood pellet boiler registered for NDRHI which is installed in his shed at the rear of his house. The notifier alleged that the reason the party in question is able to gain NDRHI is that they're falsely claiming that the installation is heating an agricultural shed but that it is a domestic property.

The notifier claims that the shed is not agricultural and that he is using the pellet boiler to heat his 'mansion home at taxpayers' expense'. The notifier also stated that the party in question has a flock number but has no sheep which correspond to that flock number. He also claims that the party in question has no land to farm.

A Counter Fraud case was opened and an audit was requested.

#### 30 June 2016

A pre-announced site audit is conducted by Ricardo Energy & Environment in accordance with Ofgem's normal audit programme.

2 non-compliances were identified at audit:

No evidence was found of the building described as agricultural workshop/storage being used as a workshop or for animal pens as described in the non-domestic questionnaire. This is in breach of Regulation 15(1)(a).

Participant not able/aware to provide documentation confirming quantity and type of fuel material used in installation. This is in breach of Regulation 33(a).

In addition there were 4 observations recorded to be flagged to the participant, but which were not assessed as being non-compliant with scheme regulations.

#### 8 August 2016

Following review of draft report, on receipt of a final audit report from Ricardo E&E, Ofgem sent a letter to the participant confirming the audit outcome and informing that there would be separate correspondence from the Compliance team on next steps to address the non-compliances identified.

#### 9 August 2016

An Info Request Letter was sent by the Compliance team, the participant was asked to:

Please provide evidence to show that your installation has a workshop/storage being used for agricultural purposes.

Please provide a fuel log of the type and quantity of fuel used for each individual installation on your site, as well as all invoices for fuel purchased. This log should cover the period beginning 28/08/2015 (your effective date) to date.

#### 10 August 2016

Participant sends an email providing fuel records, and photos to show the agricultural workshop/shed being used for non-domestic purposes.

#### 22 September 2016

Following internal review to consider this case in line with regulations, including considering attention to any precedents and for consistency with other cases, and escalating for awareness, the Head of Technical and Compliance confirms support for closing the non-compliance case. This confirms that there are no restrictions on payments in relation to the non-compliances identified at audit. This is confirmed in writing to the participant on 23 September 2016. This does not trigger closure of the possible suspected fraud case, which is assessed separately.

#### 10 October 2016

We received (via DfE) an email from the office of a Member of the Northern Ireland Assembly which had an anonymous external informant letter (similar to the original one) attached.

#### 14 October 2016

We received an enquiry from the police as they had also received a letter from an anonymous external informant (again similar to the

original one) in relation to this application. Further advice was sought from the legal team and the application was shared with the police.

01 November 2016

The police concluded that "there isn't any cause for concern in relation to this application".

03 November 2016

Following the email from the police, both Counter Fraud and legal (John Jackson) were satisfied that this concludes the matter from a counter fraud perspective and as such another recommendation for closure was sent to the Head of Counter Fraud for approval.

09 December 2016

Following broader engagement with DfE relating to the approach to managing compliance and possible suspected fraud cases, DfE confirmed that in advance of Ofgem closing this particular case they would appreciate Ofgem to confirm whether there were any further non-compliance questions to address following the receipt of the external informant letters received by DfE and PSNI in October 2016.

12 December 2016

Proposed case conference to discuss aspects relating to this case.

Kind regards

Edmund

Personal information redacted by the RHI Inquiry

Compliance summary attached; Counter Fraud summary below:

10 May 2016

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The notifier claims that the shed is not agricultural and that he is using the pellet boiler to heat his 'mansion home at taxpayers' expense'. The notifier also stated that the party in question has a flock number but has no sheep which correspond to that flock number. He also claims that the party in question has no land to farm.

A Counter Fraud case was opened and an audit was requested.

15 July 2016

Update received that the audit had taken place. The report was in draft form and so the Counter Fraud Team did not see it at this point.

8 August 2016

It was confirmed that a request further evidence of non-domestic status would be undertaken by the Audit Team.

25 August 2016

Counter Fraud team were notified that the matter has been escalated to Chris Poulton for decision.

05 October 2016

It was determined by the compliance team that this site meets eligibility criteria and ongoing obligations so no further action is required. The suspected fraud case was recommended for closure (however this was not approved due to the email received on 10 October, see below):

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Hope this is helpful.

Thanks, Sam

**From:** Gareth John

**Sent:** 09 December 2016 13:57

**To:** Jane Pierce; Edmund Ward; Samantha Turnbull

**Cc:** Teri Clifton; James Robinson; James Kilmartin; Michael Knight; Chris Poulton; Alison Hardie; Karen Boyle; Stuart Forsyth; John Jackson

**Subject:** URGENT: Suspected Fraud Case - S Brimstone's RHI app no redacted by the RHI Inquiry [OFFICIAL Internal Only]

All,

This is the sensitive referral case that DfE have just indicated may go public, and there is a suggestion that individuals may be named. Edmund/(Sam), as discussed.

Can you summarise events for us from a receipt of referral to date and then Sam can also add position with her CF investigation.

James/Michael, I understand DfE are pressing for details on the investigation – so if you can advise Sam on approach here and what we would normally disclose.

Received from Ofgem on 22.05.2017

Annotated by RHI Inquiry