

Government Seeks to Prosecute Stipend Fraudsters

Grand Cayman, 25 April 2022 – An inadvertent data breach at the Ministry of Border Control & Labour has identified suspected fraud by a number of recipients of the Displaced Tourism Employees Stipend.

Deputy Premier and Minister for Border Control & Labour Hon. Chris Saunders said, “While I was very unhappy with the clerical error that led to the inadvertent data breach, since then we have had several reports of allegations of fraud made against recipients of the stipend which is a matter of serious concern. My team has been working hard to identify cases of suspected fraud which have now been referred to the RCIPS, Financial Crimes Investigation Unit for full investigation, with the intention of prosecution.”

Deputy Premier Saunders made reference to the self-reporting survey conducted by the Ministry of Border Control & Labour since taking over responsibility for the disbursement of the stipend payments in January of this year.

That survey relied on recipients’ honesty regarding listing their updated employment status, with a goal of removing those who had gained full-time employment since the gradual reopening of the tourism industry, following its complete shutdown due to the COVID-19 pandemic.

In the last survey, over 600 people who answered the survey shared that they had obtained full-time employment since the start of the year, and in February of this year were moved to a reduced payment schedule that would cease after three months. However, the vast majority of recipients remained on the list at full payment.

The Deputy Premier said, “While I am sure that the vast number of recipients truly require assistance, unfortunately, there are members of our society that are hellbent on getting money for doing nothing. That mindset is un-Caymanian. The fact that some of the people who reported suspected fraud offences are family members, confirms that we still live in a society where people value decency and honesty. Individuals that seek to defraud the Government are essentially stealing public funds which could be put to better use assisting those who are truly vulnerable and in need of help.”

The Deputy Premier also stated, “I am however comforted by the fact that since my Ministry took over responsibility for this programme and administered the survey in February, there are some persons that have come forward to return stipend payments made to them as they

had obtained full-time employment, or perhaps received a payment to their account in error. We are grateful to those who chose to be honest and who have been keen on doing their part to ensure that monies were prioritised for those still in need.”

He continued, “We also discovered that there were four persons incarcerated at HMPS Northward that were being paid the stipend, at least one of whom was already in prison when the stipend was instituted. One has since been released, but the others are currently in prison and were receiving monthly payments up to March 2022.”

The tourism stipend started in 2020 under the auspices of the Ministry of Tourism, which at the time conducted registration surveys to collect information to determine eligibility for the payments. The criteria required that applicants provide sworn declarations regarding their employment and financial status.

The widespread and disturbing allegations of fraud have raised major concerns with the Deputy Premier. He said, “I know that the tourism stipend began as an emergency measure and I supported the previous Government’s decision to provide much needed assistance to thousands of families that were financially impacted by the global pandemic overnight. This was the right thing to do then, it is the right thing to do now, and we shouldn’t let those who seek to exploit the scheme for financial gain detract from the goodness of this programme, as a lot of our people still require assistance. Many of our people did the right thing by reporting cases of suspected fraud, and their courage and decency now requires us to act. We cannot afford to sweep this under the rug.”

The Deputy Premier noted that funds for the tourism stipend programme have been approved until June 2022 and strongly encouraged any persons who are receiving the stipend, and who do not meet the criteria for legitimate claims, to voluntarily remove themselves from the recipient list.

Another survey has now been launched and is mandatory for all recipients of the stipend; a link to this survey has been emailed to all stipend recipients. This survey will be available from 25 April until 6 May, and is mandatory in order for May payments to be processed.

For further information, or to report suspicions of fraudulent activities relating to the payment of the stipend, email stipend@gov.ky or call 649-6932.