MINISTRY OF SOCIAL DEVELOPMENT
TE MANATŪ WHAKAHIATO ORA

28 August 2025

Tēnā koe

Official Information Act request

Thank you for your email of 19 June 2025, requesting information from the Ministry of Social Development (the Ministry) about the COVID-19 Wage Subsidy Scheme.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out separately below.

1. *List of Top Recipients*
    - *The top 100 corporate recipients of the COVID-19 wage subsidy scheme (2020–2022)*
    - *Amount each received*
    - *Dates of application and receipt*
    - *Whether they fully or partially repaid the subsidy*

Please refer to Table 1 in the attached **Appendix A,** which lists the top 100 recipients of the COVID-19 Wage Subsidy Scheme[1] as of 26 January 2024,[2] and which have made a partial or full repayment.

In order to provide you with the application and payment dates for these companies, we would have to manually review each of their applications. This would require diverting personnel from their core duties and allocating extra time to complete this task. The diversion of these resources would impair the Ministry's ability to continue standard operations and would be an inefficient use of its resources. As such, your request is refused under section 18(f) of the Act, as it requires substantial collation. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your requests given extra time, or the ability to charge for the information requested. I have

[1] The COVID-19 Wage Subsidy Scheme included the COVID-19 Wage Subsidy, Wage Subsidy Extension, Resurgence Wage Subsidy, Wage Subsidy March 2021, and Wage Subsidy August 2021 (payments 1-8).

[2] The last date on which any outstanding COVID-19 Wage Subsides were paid.

concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

2. *Layoffs After Receiving Subsidy*
    - *A breakdown of which recipients laid off staff while receiving or shortly after receiving the subsidy*
    - *Total number of affected workers per company*
    - *Whether any action or follow-up was taken*

The Ministry does not hold the employment records of companies who received a wage subsidy.

Therefore, I am refusing your request under section 18(g) of the Act as the information you have requested is not held by the Ministry and I have no grounds to believe that the information is either held by or closely connected to the functions of another department, Minister of the Crown or organisation.

3. *Investigations & Penalties*
    - *A summary of all investigations conducted into wage subsidy misuse*
    - *Number of companies audited*
    - *Outcomes of those audits (repayment, referral to enforcement, public notice, etc.)*

The Ministry took its duty to taxpayers seriously and established a programme of work to identify incorrect wage subsidy payments and investigate possible fraud. The programme included a cross agency complaints process, targeted pre- and post-payment checks, a thorough investigation process, and a response and recovery framework to facilitate repayments and take enforcement activity.

Since the subsidies were introduced in early 2020, the Ministry has undertaken more than 15,000 pre- and post-payment checks on wage subsidy applications, with a focus on applicants with one or more integrity risks.

As of 30 June 2025, the Ministry had referred 1,501 cases for investigation, 1,371 of which had been resolved. Of these, the Ministry had agreed to take prosecution action against 109 individuals and civil recovery action against 52 businesses.

At the same time, the Wage Subsidy Integrity and Fraud programme had identified a total of $909.3 million in wage subsidy payments for recovery, $110.5 million of which had been identified following an integrity check or investigation.

The remaining $798.8 million had been identified as a result of voluntary disclosures in line with recipients' obligations for the schemes.

For more information about the Ministry's Wage Subsidy Integrity and Fraud Programme, please see: Wage Subsidy Integrity and Fraud Programme - Ministry of Social Development.

4. *Voluntary Repayments*
    - *List of companies that voluntarily repaid all or part of the subsidy*
    - *Repayment amounts and dates*
    - *Whe*ther those repayments were publicly acknowledged or recorded

Please refer to Table 2 in the attached **Appendix A**, which lists all businesses who have made a voluntary wage subsidy repayment as of 30 June 2025, broken down by scheme.

Your request for the repayment dates has been refused under section 18(f) of the Act on the grounds that providing this information would require a substantial manual review.

You may be interested to know that the Ministry has a publicly available "Employer Search Tool" which enables you to search for any individual employers (with three or more employees) who received a wage subsidy, the amount they received, and the number of distinct employees paid.

Furthermore, a list of the top ten employer repayments (all of which were voluntary) can be found on the Ministry's website, at the following link: www.msd.govt.nz/about-msd-and-our-work/work-programmes/wage-subsidy-integrity/index.html.

5. *Public Protections*
    - *What policies or legal mechanisms exist to recover misused subsidies*
    - *How this is enforced*
    - *Whether citizens have the right to request company-level investigations*

The Ministry's first avenue for recovery of wage subsidy funds from those who should not have received and/or retained them is to seek voluntary repayment. Where that is unsuccessful, the Ministry has a number of enforcement actions available to it:

- taking civil proceedings against applicants in cases where they are not entitled to the wage subsidy and have not repaid it;
- commencing bankruptcy proceedings in respect of individuals, or liquidation proceedings in respect of companies;
- the restraint and forfeit of assets acquired or derived under the Criminal Proceeds (Recovery) Act 2009; or,
- taking criminal prosecution action against applicants where the evidential sufficiency and public interest tests for criminal prosecutions as set out in the Solicitor-General's Guidelines (the Guidelines) have been met.

We have attached, as **Appendix B**, the Ministry's COVID-19 Economic Supports enforcement and recovery decision-making framework, for your reference.

If you are concerned that someone you know may have committed wage subsidy fraud, you can submit an allegation online, or can call the Ministry on 0800 556 006. For more information, please see Report a suspected fraud - Work and Income.

Please note that when the Ministry receives an allegation, the information is assessed based on the level and quality of information available to assess the level of fraud and risk posed.

Based on this assessment, some cases will not be followed up, for example, if the information provided is already known to the Ministry, or because there is insufficient information to warrant further action.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Ngā mihi nui

Anna Graham
General Manager
Ministerial and Executive Services

COVID-19 Economic Supports enforcement and recovery decision-making framework

1 Initial decision-making

Client Service Integrity (**CSI**) team

Includes integrity checks/reviews through to investigations. Cases may originate from allegations, integrity checks, data matching and/or other teams.

- Identify repayment as the result of a review or investigation and issue repayment demand letter
- Criminal prosecution, proceeds of crime and civil debt recovery cases are conducted by Investigators and recommendations are made to the COVID-19 Economic Supports Response and Recovery Panel (**step 2**)
- **Requested repayments** are referred to Client Support Debt Management (**CSDM**). Where debt recovery processes are unsuccessful, these are returned to CSI to proceed with a recommendation for civil debt recovery
- Investigations may result in no recommendation to take enforcement action (see **No enforcement action**)
- Investigations in progress may include referrals to the Police Asset Recovery Unit (see **ARU referrals**)
- Investigation cases may be requested by the Serious Fraud Office (see **SFO referrals**).

2 Recommendation report to Panel

CSI team

All recommendations to take prosecution and/or civil debt recovery and/or proceeds of crime action are made to the COVID-19 Economic Supports Response and Recovery Panel (the Panel). CSI will have regard to Panel guidance when preparing their recommendation. The report is only referred to the Panel if MSD Legal and/or Crown Solicitors agree the evidential sufficiency test is met (see **Legal review**), otherwise CSI will undertake further investigation (and/or the case may result in **no enforcement action**).

3 Panel decision

The COVID-19 Economic Supports Response and Recovery Panel will consider any recommendations made to it in line with *the COVID-19 Economic Supports Response and Recovery Panel: Terms of Reference* and Solicitor-General guidelines.

4 Enforcement

Legal proceedings commence:

- MSD instructs lawyers and lays charges and/or
- MSD instructs lawyers and commences civil proceedings.

Requested repayment process

Managed by the CSDM team. Refer to the *COVID-19 Economic Supports debt recovery approach*. Cases may still be recommended for civil debt recovery or criminal proceedings if repayment is not made (see step 2).

No enforcement action

Any investigation that results in a debt being established, but no recommendation to take enforcement action, requires approval by the responsible CSI Area Manager in conjunction with Legal. If the Area Manager supports the Investigators recommendation to close, they will complete a *Case Closure Referral* form for consideration and approval by MSD Legal.

Any unpaid debts may be referred by CSDM to CSI to make a recommendation to take enforcement action.

ARU referrals

Where an investigation that is underway requires a search warrant and/or consideration of the seizure of assets, CSI will engage with the Police Asset Recovery Unit (ARU). Approval to engage with the ARU on a case-by-case basis is given by the responsible CSI Area Manager.

ARU will assess the case against their criteria, investigate as necessary and file in Court. Investigations completed by CSI may be referred to the Panel for consideration of prosecution.

SFO referrals

The National Manager CSI will engage with the Serious Fraud Office (**SFO**) on cases indicating a high-level of complexity and/or offending. Initial discussions are based on high level case criteria. The SFO will issue a section 9 (SFO Act 1990) request for any cases that they determine meet their criteria to investigate.

Legal review

All legal reviews of recommendation reports to the Panel are facilitated by MSD Legal. The legal review will address evidential sufficiency and any legal issues raised by CSI.

Post-panel decision communications

Following agreement by the Panel to take civil recovery action, MSD Legal and/or Crown Solicitors will issue a letter to the recipient providing one last opportunity to make repayment prior to commencing civil proceedings.

Post-Panel communications where the decision to take prosecution action has been made will be considered on a case-by-case basis by the Panel.

Notifying the Companies Office

Where prosecution charges result in a sentence, the Integrity and Debt Information and Advice team will notify the Companies Office of any individual sentenced on relevant charges. The Companies Office is responsible for applying directors' prohibitions under section 382 of the Companies Act 1993.

Guidance and criteria for Panel in Step 3

The panel is tasked with determining what action to take. Set out below are key indicia of when each type of action may be appropriate:

Criminal prosecution (may be <u>together with</u> proceeds of crime recovery or civil recovery)

Prosecution is likely to be appropriate when:

- Evidential sufficiency for criminal charges has been confirmed by legal (if not, consider appropriateness of civil recovery or proceeds of crime recovery)
- Dishonest conduct is present
- No entitlement to funds and no basis to believe they were entitled
- No engagement with MSD/no genuine engagement about whether/how they need to repay
- Public interest criteria met (to be determined by the Panel)
- No minimum value: any COVID-19 Economic Supports funds fraud could be considered for prosecution.

Proceeds of crime recovery process (may be <u>together with</u> criminal prosecution)

Proceeds of crime action is likely to be appropriate when:

- An underlying offence is present and evidential sufficiency on the balance of probabilities has been confirmed by MSD Legal and/or Crown Solicitors
- Charges have been filed or are contemplated (though of course charges are not necessary, but simply an indication that proceeds of crime action may be appropriate)
- Value exceeds minimum threshold of $30,000 (or a reason exists to go lower).

Civil debt recovery (may be <u>together with</u> criminal prosecution)

Civil recovery action is likely to be appropriate when:

- Evidential sufficiency for civil recovery action on the balance of probabilities has been confirmed by MSD Legal and/or Crown Solicitors
- Initial application appears to have been made in good faith i.e. no overt dishonesty (civil debt recovery can still be appropriate in cases involving dishonesty, but the absence of dishonesty often suggests that civil debt recovery, as opposed to prosecution, will be appropriate)
- No charges will be laid (although civil debt recovery does not preclude criminal prosecution, and proceedings may be concurrent)
- Any dispute or refusal to repay is based on genuinely held beliefs or objective evidence (as above, disputes based on dishonesty do not mean civil action is not appropriate, and it may give rise to concurrent proceedings)
- No minimum value: any COVID-19 Economic Supports funds fraud could be considered for civil recovery action.

Alternatively: In some cases it may be appropriate to pursue all three avenues of enforcement action. Such cases may involve multiple parties with different types of conduct/culpability, a high value of funds obtained or other complexities.

Alternatively: No action necessary.