

An aerial photograph of a modern residential building complex. The buildings are arranged in a U-shape, creating a central courtyard. The buildings have dark grey facades and balconies with glass railings. The courtyard contains a paved area, some greenery, and a small structure. The lighting suggests it's daytime with shadows cast across the courtyard.

Kela®

Annual report on benefit fraud cases

Year 2024

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1 Kela in brief

The Social Insurance Institution of Finland (Kela) provides social security coverage for all Finnish residents and many Finns living abroad in all stages of their lives. In 2024, Kela paid approximately EUR 16.4 billion in benefits to private individuals.

Kela secures the income and promotes the health of the population while supporting the capacity of individual citizens to care for themselves. Kela's operations are supervised by Parliament.

Table 1.
Benefits paid by Kela to private individuals in 2024, million euros

Benefits paid by Kela	2024, million euros
Pensions	2 677,00
Housing allowance for pensioners	685,3
Rehabilitation	769,3
Benefits for families with children	2 983,90
Financial aid for students	712
Basic social assistance	824,9
Health insurance benefits	3 407,00
Unemployment benefits	1 912,20
Disability benefits	663,4
General housing allowance	1 676,90
Other benefits	134,5
Total expenditure on benefits	16 446,40

2 Types of benefit fraud and the detection thereof

Benefit fraud refers to intentional activity whereby a Kela customer seeks to receive benefits without cause or at a higher amount than is due. The provision of false information or a falsified or forged document are examples of benefit fraud. The most commonly falsified or forged documents include invoices, bank statements, lease agreements and payslips, but Kela also receives other fake documents. These documents may be falsified or forged in whole or in part. Customers may, for example, cover some of the information present on their bank statements or change the details of an invoice to be more beneficial to the customer.

The withholding of information also constitutes benefit fraud. When a customer applies for a benefit, they are obliged to ascertain what factors impact their right to a specific benefit, and they must inform Kela about these factors.

Benefit fraud is considered to have occurred when a customer's conduct meets the criteria of a crime – most commonly fraud or forgery.

Kela may begin to suspect that a customer may have committed benefit fraud when processing their benefit application if the information previously provided by the customer conflicts with the information disclosed in the application. Suspicions may also arise when benefit payments made to a specific customer are reviewed by Kela to determine why the customer has been overpaid and Kela discovers that the overpayment resulted from the customer's own conduct. Other factors that may trigger suspicion of benefit fraud include tip-offs, data retrieved from the Incomes Register, and information or notifications provided by other authorities. When a customer is suspected of benefit fraud, the customer is contacted and reserved the opportunity to provide a clarifying statement in the matter.



3 Benefit fraud statistics for 2020–2024

This report introduces statistics from 2020 to 2024. The statistics cover suspected cases of benefit fraud processed by Kela where the customer has been contacted for a statement due to the suspicions.

Each case is counted in the statistics only once even though its legal proceedings can last longer than a calendar year. As such, each case is recorded in the statistics of the year during which Kela processed it. Statistics are published annually on the number of both suspected cases of benefit fraud recorded by Kela and closed cases.

3.1 Suspected cases of benefit fraud recorded by Kela: number of cases and value in euros

These statistics cover suspected cases of benefit fraud where the customer has been contacted for a statement due to the suspicions and where Kela has issued a decision on the matter.

Table 2.
The number of suspected cases of benefit fraud recorded by Kela, their value in euros and their percentage share of all benefits paid between 2020 and 2024

Year	No. of suspected fraud cases	Average value of suspected fraud cases, EUR	Total value of suspected fraud cases, EUR	Total benefits paid, EUR	Percentage share of suspected fraud cases of total benefits paid
2024	1 104	6 480	7 153 494	16 446 346 844	0,43
2023	1 277	5 565	7 106 242	15 823 322 906	0,45
2022	1 462	5 838	8 535 781	15 655 394 321	0,55
2021	1 894	5 603	10 612 989	15 545 342 902	0,68
2020	2 467	4 939	12 183 696	15 334 580 599	0,79

In 2024, basic social assistance was the benefit with the most suspected cases of benefit fraud. The benefits with the second highest number of cases were unemployment benefits and the general housing allowance, but the number of suspected cases of benefit fraud involving these benefits has decreased as a result of the use of the Incomes Register. When it comes to basic social assistance, however, discrepancies in the customer's income data are not the only factor that can lead to suspicions of benefit fraud. The categories entitled

Family benefits and Other cover suspected fraud cases that involve multiple benefits. In the category of Other, student financial aid and reimbursements for medical expenses (mostly taxi fare reimbursements) saw a rise in the number of suspected benefit fraud cases in 2024 compared to previous years.

Chart 1.
The percentage shares of different benefits of all suspected cases of benefit fraud recorded by Kela

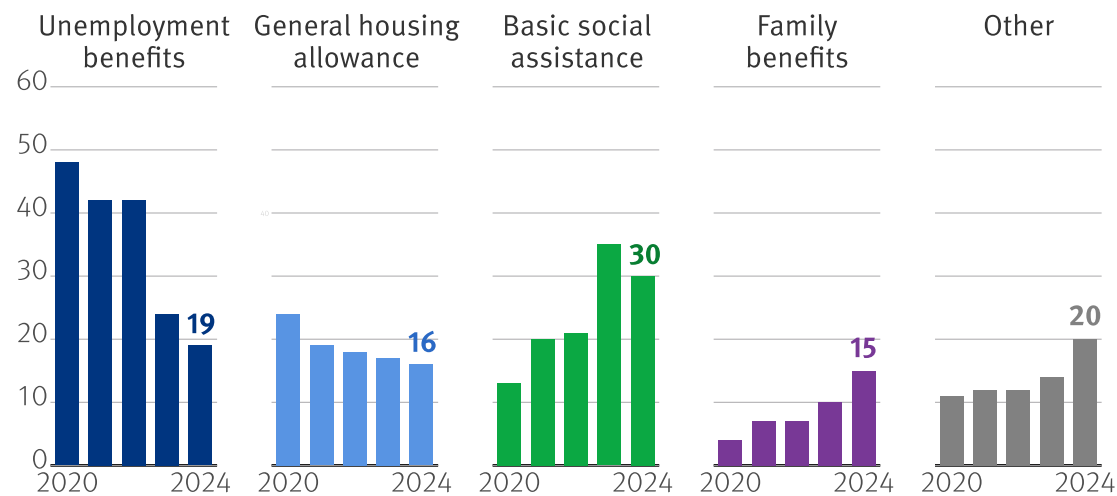


Table 3.
Suspected cases of benefit fraud discovered by benefit administration employees in 2020–2024

Year	No. of suspected cases of benefit fraud discovered by benefit administration employees
2024	2 413
2023	2 174
2022	1 930
2021	2 708
2020	4 747

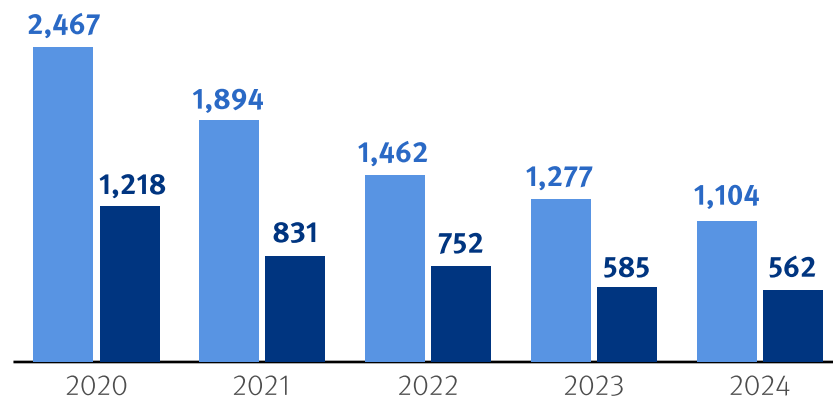
3.2 Cases reported to the police

Once a customer is suspected of benefit fraud, Kela will assess whether their conduct was intentional and what measures Kela wants to take. If there is good reason to suspect that a crime has occurred, Kela will report the case and all its details to the police. However, Kela reports all cases involving falsified or forged documents to the police. This also applies if the customer is discovered to have submitted a falsified or forged document before any benefits are paid to them as submitting a forgery is always considered an intentional act even if it does not result in any damage.

Kela will not report a case of suspected benefit fraud to the police if there is insufficient evidence or if the statute of limitations has passed. Kela always decides whether to report a suspected case of benefit fraud to the police on a case-by-case basis while taking into consideration the facts of each case.

Kela reports approximately 50 per cent of all suspected cases of benefit fraud to the police each year (about 51 per cent in 2024).

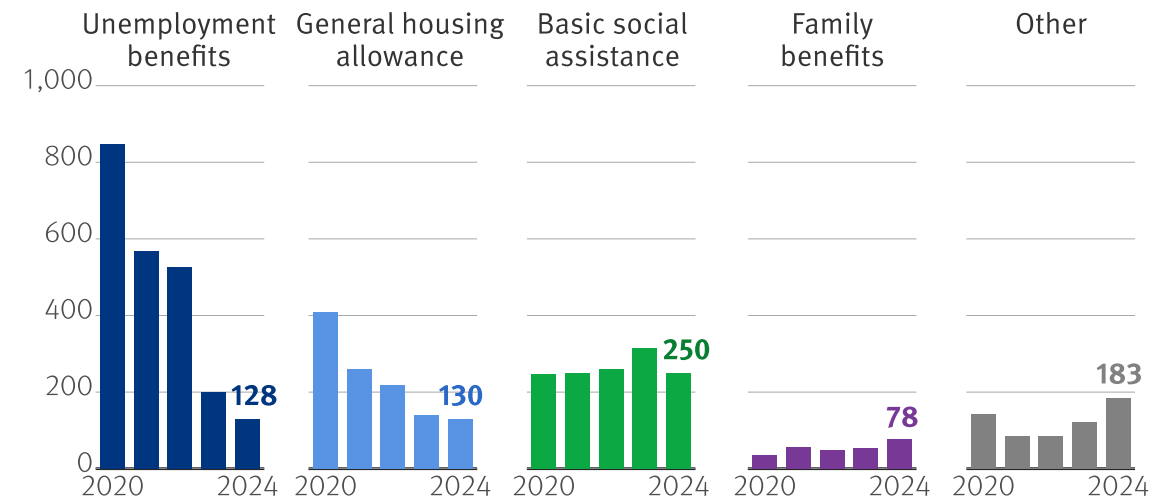
Chart 2.
Suspected cases of benefit fraud and the number of cases reported to the police in 2020–2024



3.2.1 Cases reported to the police categorised by benefit

The chart below shows the number of cases categorised by benefit that Kela reported to the police between 2020 and 2024.

Chart 3.
Number of cases reported to the police in 2020–2024, categorised by benefit



The total number of reported benefit-specific cases of suspected benefit fraud (chart 3) is higher than the number of cases reported to the police listed for each year in chart 2. This discrepancy is due to the fact that a case that is reported to the police may involve a customer who receives several different benefits and is suspected of multiple instances of benefit fraud involving these benefits.

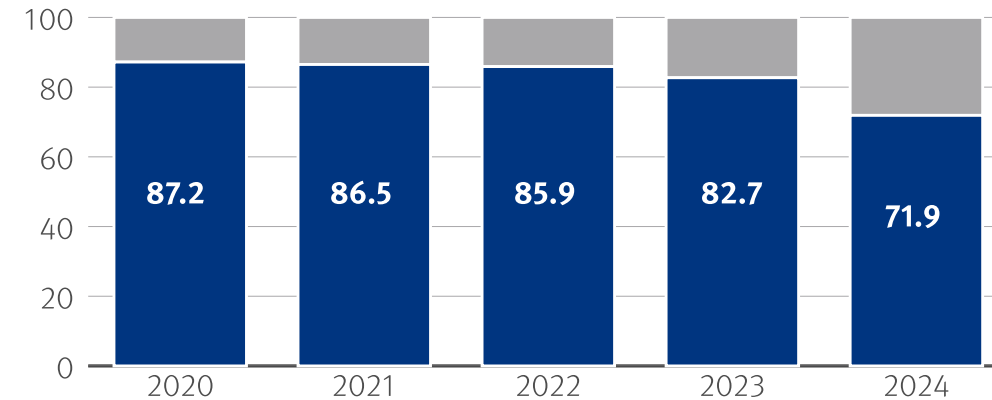
The nature of the benefits affects the total number of suspected cases of benefit fraud and the case-specific consideration of whether the customer’s conduct was intentional. Benefits that had the most recorded cases of suspected benefit fraud were also the ones with the highest number of cases reported to the police. These benefits include basic social assistance, unemployment benefits and the general housing allowance. Unemployment benefits and basic social assistance require for the customer to actively carry out more measures than they would in connection with other benefits. Customers must, for example, keep submitting new applications on a regular basis. Customers who receive unemployment benefits and basic social assistance are also often paid general housing allowance, which explains, in part, why cases involving general housing allowance were so highly represented in the number of cases reported to the police. In addition, more suspected cases of benefit fraud involving student financial aid and reimbursements for medical care costs (categorised under Other) were reported to the police in 2024 compared to previous years.

3.3 Closed cases of benefit fraud

Kela publishes statistics on how many cases reported to the police have resulted in criminal sanctions. Once Kela has reported a case of suspected benefit fraud to the police, the prosecutor and the courts decide whether a crime has occurred and, if so, the nature of the crime.

The following chart shows the percentage share of cases that resulted in a sanction of all cases reported to the police in 2020–2024.

Chart 4.
Percentage share of cases reported to the police that resulted in a sanction in 2020–2024



The percentage share of cases reported to the police that resulted in a sanction has decreased during the period in question. Kela monitors case law for developments. The most common reason why a case reported to the police has not ultimately resulted in a sanction is that the statute of limitations has expired.

4 Identification and prevention of benefit fraud at Kela

Kela invests in the proactive identification and prevention of benefit fraud in its operations. One measure Kela has undertaken to achieve this is ensuring that all processes run smoothly in day-to-day benefit administration. Employees are provided with instructions and training that help them identify and investigate suspected cases of benefit fraud. Kela constantly develops its practices and has appointed several experts specifically to process benefit fraud cases.

Kela is contacted by both private individuals and authorities who want to report customers that may be receiving Kela benefits without cause. Kela takes note of and investigates all such reports. If the report can have an impact on the benefits Kela pays to a specific customer, the customer will be contacted for their statement in the matter. If a benefit is discovered to have been paid incorrectly, the customer's benefits will be adjusted to reflect the correct information. No information about the subject of the whistleblower's report is disclosed to the whistleblower. The whistleblower

is not told, for example, whether the subject of their report receives benefits or whether Kela has taken measures against the subject of the whistleblower's report as a result of their report.

In addition to identifying cases of benefit fraud, Kela strives to prevent them before they arise. The key factor in proactively preventing benefit fraud cases from occurring is to ensure that customers are not paid benefits without cause, which will then prevent overpayment as well. If benefits are only ever paid with cause and no overpayment occurs, the number of suspected benefit fraud cases will, in principle, fall to zero. Falsified or forged documents form an exception to this rule as a customer submitting them is automatically considered to constitute a case of suspected benefit fraud even if no overpayment of benefits has occurred.



One way in which incidences of overpayment and suspected cases of benefit fraud can be reduced or prevented is to make effective use of the Incomes Register. Kela employees can retrieve customers' up-to-date income data from the Incomes Register when determining whether they can be granted benefits. Kela employees can also instantly see if changes have occurred in the relevant customer's income, which enables the real-time adjustment of their benefits and prevents incidences of overpayment from occurring. Similarly, customers do not need to provide Kela with any income-related documents as their income data is readily available in the Incomes Register. However, this does not mean that customers are no longer obliged to provide correct information and notify Kela of all changes in their circumstances. Customers must still comply with all the reporting obligations set out in the legislation that applies to different benefits.

In order to prevent benefit fraud, Kela also makes consistent efforts to develop its operations with the aid of e.g. various information systems and new methods involving artificial intelligence and machine learning. Kela utilises automatic detection techniques to process bank statements submitted by customers to more accurately detect data on their income and assets. Kela also strives to make improvements in the mechanical identification of falsified or forged documents and benefit fraud in general.

In order to combat the shadow economy and prevent benefit fraud, Kela engages in information exchange and extensive cooperation with various different authorities. For example, Kela is represented on the editorial board working on the Tax Administration's situational report on the shadow economy and economic crime. Kela also collaborated with the National Police Board of Finland and the Tax Administration on a national level in 2024. In addition, cooperation between Nordic countries intensified in the field of benefit fraud prevention in 2024. One of the key issues that arose was the widespread abuse of the social security system in Sweden. Kela's representatives participated in several meetings where information was shared between Nordic colleagues on phenomena observed in the Nordic countries and ways to address social security fraud. This cooperation will continue in the future as well. At the EU level, Kela engages in cooperation with a multitude of organisations in the field of benefit fraud prevention, such as various institutions defined in the regulation on the coordination of social security systems (e.g. the Administrative Commission) and the European Social Insurance Platform (ESIP), where Kela is a member. In 2024, Kela also worked closely together with the European Labour Authority (ELA). Kela actively monitors developments in EU-level legislation on benefit fraud prevention.

