

18 March 2022

Request under The Freedom of Information (Scotland) Act 2002

Thank you for your Freedom of Information request dated 8 February 2022, in which you requested the following:

My query is with regards to covid grants given to businesses by VisitScotland and I'd be grateful for a reply to the following questions -

1. Is VisitScotland aware of any fraudulent claims and, if so, can you say how many please?
2. As a follow-up to question one, can you say how much these fraudulent claims amounted to in total please? E.g. £2m?
3. Please provide all internal correspondence and communications regarding fraudulent covid grant claims.
4. Can you provide any correspondence and communications with the Scottish Government regarding this issue please.
5. What due diligence checks were carried out prior to the awarding of covid grants please?

I have considered your request and can respond as follows:

1. Following a report being made to Police Scotland on 2 March 2022, we formally notified the Scottish Government on 9 March 2022 regarding an identified instance or instances of fraud. We are exempting any further information in this respect under sections 35 (1) (a) (prevention or detection of crime) and 35 (1) (b) (apprehension or prosecution of offenders) of FOISA.
2. The amount this instance or instances represent is in total less than 0.1% of the total covid grant funding distributed by VisitScotland. At this time, due to the ongoing Police Scotland investigation, we are exempting the exact value under sections 35 (1) (a) (prevention or detection of crime) and 35 (1) (b) (apprehension or prosecution of offenders) of FOISA.
3. We are exempting correspondence relating to this instance or instances or fraud under sections 35 (1) (a) (prevention or detection of crime) and 35 (1) (b) (apprehension or prosecution of offenders) of FOISA.
4. Please see the separate attachment containing the email sent to the Scottish Government on 9 March 2022. The report referred to has been exempted under sections 35 (1) (a) (prevention or detection of crime) and 35 (1) (b) (apprehension or prosecution of offenders) of FOISA. Personal data has been redacted from this email in accordance with section 38 (1) (b) of FOISA.
5. Criteria and processes for each of our funds was outlined in the individual fund criteria available at visitscotland.org. Each fund was managed as a project with a dedicated project manager, project owner and support teams. Subject matter experts, including legal and finance, provided support across all of our individual funds. We also procured the

independent services of Chiene & Tait to complete appropriate due diligence work and finance checks across the applications.

The due diligence process consisted of mandatory documents to be provided by the applicant, using independent sources to check the information provided was for legitimate businesses (such as companies house numbers), documents to enable us to confirm correct bank details and appropriate insurance documents that covered the business's activities

We have also applied the public interest test in respect of the information exempted under sections 35 (1) (a) and 35 (1) (b) of FOISA. Please see below for the competing arguments identified within the public interest test exercise:

Why the public interest would be served by disclosing the information:

- Disclosure of the information may contribute to ensuring effective oversight of expenditure of public funds and that the public obtain value for money but in our view, disclosure is unlikely to serve this purpose.

Why the public interest would be served by maintaining the exemption:

- Passage of time is a key consideration. Given the live police investigation, disclosure of the information may compromise the ability of the police to establish the identity of or apprehend those involved and/or secure prosecution of people suspected of being responsible for committing the fraudulent activity.
- Disclosure would not contribute to ensuring effective oversight of expenditure of public funds and that the public obtain value for money. Indeed, the information may encourage attempts at similar fraudulent activity.

Due to the outcome of this balancing exercise, we have judged that in all circumstances of the case, the public interest in maintaining the exemption outweighs that of disclosure of the information.

We hope this information is helpful to you. If, however, you are not satisfied with our response or the manner in which we have dealt with your application, you may in the first instance contact our Chief Executive, Malcolm Roughead, whose contact details are set out below:

Mr Malcolm Roughead
Chief Executive
VisitScotland
Ocean Point One
94 Ocean Drive
Edinburgh, EH6 6JH
Telephone: 0131 472 2201
Fax: 0131 472 2223
E-mail: malcolm.roughead@visitscotland.com

If you wish to request a review of your application under either the Freedom of Information (Scotland) Act 2002 or the Environmental Information (Scotland) Regulations 2004, your request should be submitted to us in writing, or another permanent format (for example e-mail or voice recording), and be received by us within 40 days of the date of this letter. Any request for a review should also set out, in as much detail as possible, the reasons why you are not satisfied with our response or the manner in which we have dealt with your application.

If you are still not satisfied with our handling of your application after we have responded to your request for a review, you have a right to apply to the Scottish Information Commissioner for a decision on whether we have dealt with your request in accordance with the Act.

The Scottish Information Commissioner may be contacted at:

Scottish Information Commissioner
Kinburn Castle
Doubledykes Road
St Andrews, Fife
KY16 9DS
Telephone: 01334 464610
Fax: 01334 464611
E-mail: enquiries@itspublicknowledge.info

You also have the right to appeal to the Court of Session in Scotland on a point of law concerning our response.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Gavin Mowat".

Gavin Mowat
Government and Parliamentary Affairs Manager
VisitScotland