

Workers Compensation Fraud

Each year work-related injury and illness claims cost employers over \$30 billion dollars. Estimates of the cost of fraudulent work-related claims range from \$1.5 billion to \$9 billion dollars annually. Regardless of the amount, fraudulent workers compensation claims adversely affect many businesses' efficiency and productivity, operating and insurance costs, and bottomline profitability.

Although most workers compensation claims are legitimate, a significant number are inflated or completely fraudulent. The following factors, while not definitive evidence of fraud, are types of factors which may suggest the possibility of fraudulent claims.

The Injured Worker

- Disgruntled, soon-to-retire, or facing imminent firing or layoff
- Involved in seasonal work which is about to end
- Nomadic; has history of short-term employment
- New to job or company
- Experiencing financial difficulties
- Has history of reporting subjective (sprains and strains, stress) injuries
- Known to participate in contact sports or physically-demanding hobbies.
- Refuses diagnostic procedures to confirm nature or extent of injury.
- Consistently uncooperative; hard to reach, never home to answer phone
- Makes excessive demands for compensation; demands quick settlement
- Unusually familiar with workers compensation claims-handling procedures and laws
- Receives mail at post office box; will not divulge home address
- Has history of self-employment, as a tradesperson (carpenter, electrician) or otherwise
- Injury "repeaters" who are "injured" the same time each month/year

Accident/Injury Circumstances

- Occurs late Friday or shortly after start of shift on Monday
- Occurs just before a strike, job termination, layoff, end of a big project, end of probation period
- Is unwitnessed
- Happens in area where worker normally should not be working, or involves activity that worker should not be doing
- Is not reported to supervisor promptly
- Explained with vague/contradictory details

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