



Compliance and Fraud Investigation

ANNUAL UPDATE

Topics



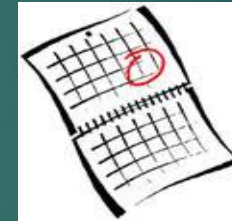
- Changes Affecting Compliance and Fraud
- Fraud Investigation – Do's and Don'ts
- FY 2017-18 Results

Changes Affecting Compliance and Fraud

- ▶ Beginning July 1, 2018 the monetary penalty for failure to carry workers' compensation was changed from a minimum of \$50 per day to a minimum of \$20 per day.



- ▶ The change also affected the time period in which we could assess a penalty against a business for noncompliance.



- ▶ The change in the statute also allows for a new penalty calculation based on the employer's insurance policy premium and the number of employees. "B2"

Fraud Investigation Do's and Don'ts

- ▶ Types of Fraud We are Seeing
 - ▶ Employers
 - ▶ Employees
 - ▶ Insurance Agents
 - ▶ Care Providers



Employee Fraud

► Red Flags

1. Accident details of vague
2. The employee changes the details of the event
3. The nature of the injury is not consistent with the nature of the work done by the employee
4. There are no witnesses
5. Co-workers express doubt that the accident occurred.
6. Employee is disgruntled, soon-to-retire or facing firing or layoff



Employee Fraud Continued

- ▶ Types of Evidence Needed
- ▶ Surveillance
- ▶ Witnesses
- ▶ Medical Records
- ▶ Doctor's Opinion
- ▶ Payment Records
- ▶ Past Criminal Record
- ▶ Entire NCIC file
- ▶ Form 90



Employee Fraud Continued

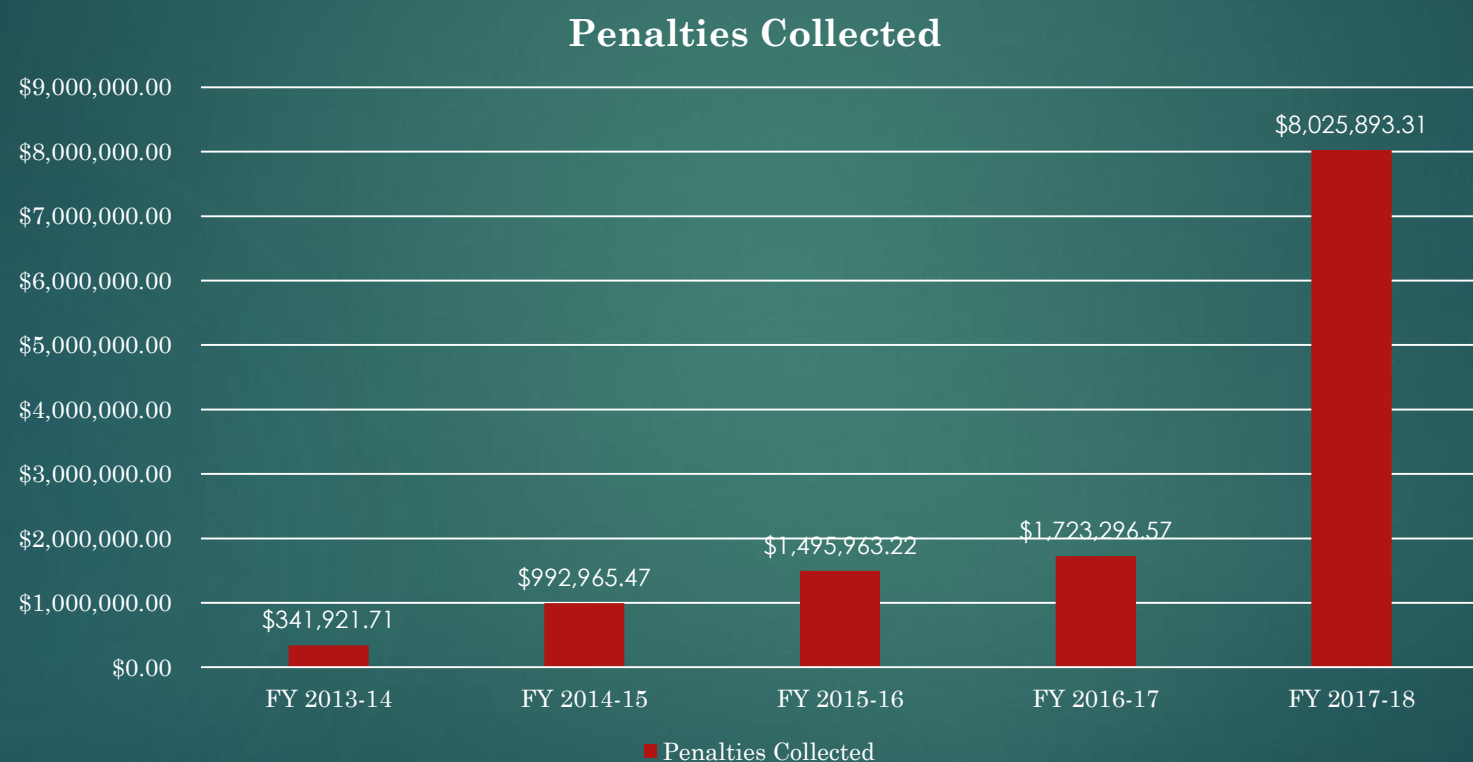
► Form 90 Violations

1. Proof of working for wages and receiving w/c benefits is not sufficient to prove workers' compensation fraud.
2. Must be evident of a false statement of representation of a material fact concerning the earning of those wages.
3. Must be able to prove the plaintiff benefitted from the employment – just working is not enough for criminal prosecution.

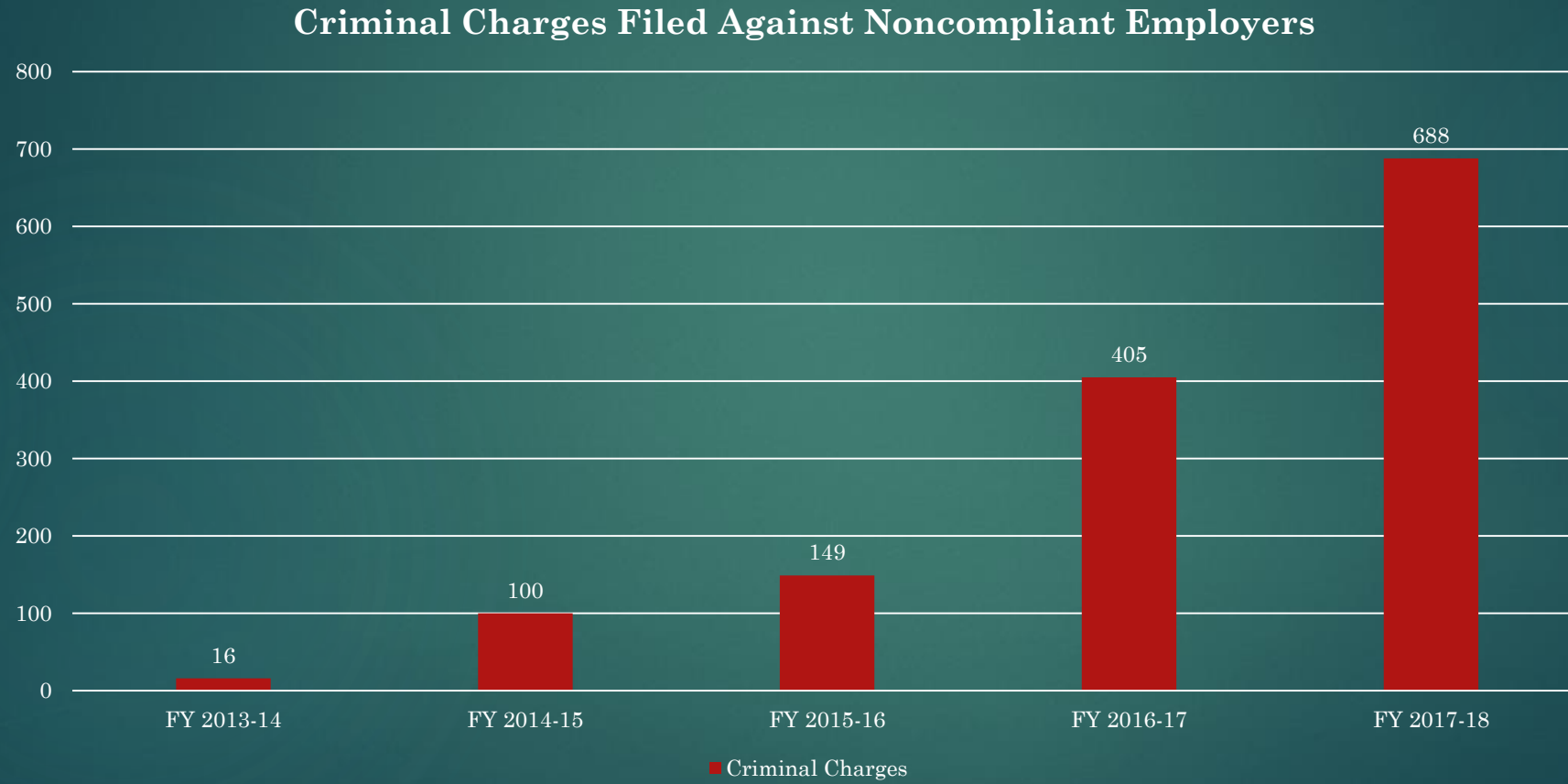
► Evidence Needed for Prosecution

1. Copy of NCIC Form 90 and copy of certified letter.
2. Payment history – copies of checks with endorsement language.
3. Statement from witnesses
4. Endorsement Language – 14-100 violation for each check endorsed.
5. NCIC File

Compliance and Fraud FY 2017-18 Results



Fraud Investigation Results



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