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## North Carolina Industrial Commission

### Combating Fraud and Noncompliance: Over \$5.1 Million in Penalties Collected at End of Third Quarter

FOR IMMEDIATE RELEASE  
May 15, 2018

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**Raleigh, N.C.** – The North Carolina Industrial Commission’s Compliance and Fraud Investigative Division continues to proactively identify businesses not complying with the Workers’ Compensation Act at an unprecedented rate. At the end of the Third Quarter of Fiscal Year 2017-2018, the Compliance Unit collected over \$5.1 million in penalties, significantly more than the \$1.15 million collected the first three quarters of Fiscal Year 2016-2017.

The Commission attributes a significant portion of the increase in penalty collections to the earlier assignment of cases to investigators, and the substantial number of investigations commenced and completed. On average, cases are now assigned to investigators within 87 days, down considerably from an average of 590 days in early 2016.

The bulk of the penalty proceeds will go to the State’s Civil Penalty and Forfeiture Fund to benefit North Carolina’s public schools. Bryan Strickland explained, “Failure to carry proper coverage for any period is not a harmless act, but instead creates an unnecessary hazard to North Carolina’s employees.”

The Commission’s Fraud Investigative Unit, which conducts criminal investigations, also reported increased numbers for this fiscal year. Through the conclusion of the Third Quarter of the current Fiscal Year, the Unit issued 504 charges of criminal fraud for suspected workers’ compensation fraud or violations related to workers’ compensation claims. For reference, the Fraud Investigative Unit issued 269 criminal fraud charges in Fiscal Years 2013-2014 through 2015-2016 combined.

The Compliance and Fraud Investigative Division works with businesses to ensure they maintain adequate insurance and identifies noncompliant businesses by using an advanced data-matching system. This system analyzes data from partnering state agencies to determine if a business is reporting three or more employees, and whether they have workers’ compensation insurance coverage.

To report a case of suspected fraud or noncompliance, please contact the Commission’s Compliance and Fraud Investigative Division using the below contact information. The fraud and compliance checklist, available online at <http://www.ic.nc.gov/fraud/html>, provides a list of information helpful to investigators.

- By phone: 1-888-891-4895
- By email: [fraudcomplaints@ic.nc.gov](mailto:fraudcomplaints@ic.nc.gov)
- By mail: Fraud Investigations  
Attn: Sam Constance  
1233 Mail Service Center  
Raleigh, NC 27699