

Reporting Fraud

Fraud is big business! Insurance and medical fraud is a \$100 billion dollar a year industry. Annually, workers compensation fraud accounts for \$10 billion. If it were a legitimate business, insurance fraud would be a top ranked Fortune 500 company.

The success of detecting workers' compensation fraud depends on everyone reporting questionable or suspicious activities. There are several ways to report suspected fraud:

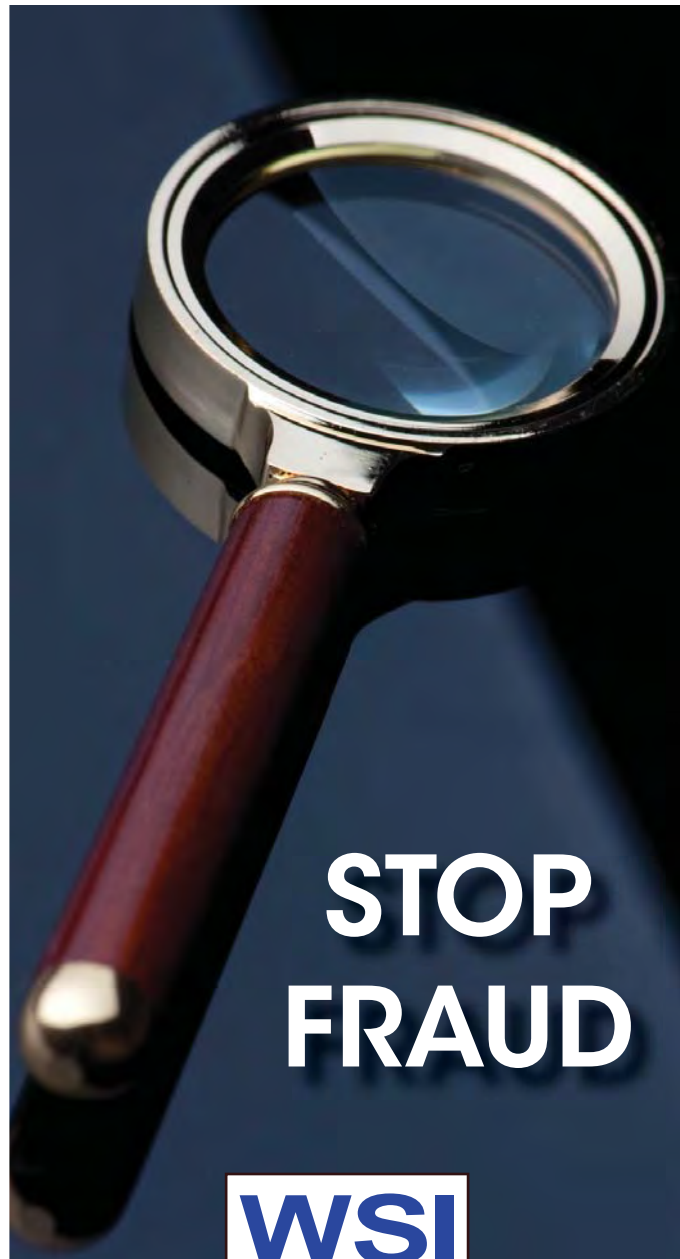
- Call WSI toll free at 1-800-777-5033
- Call our Fraud Hotline at 1-800-243-3331
- Report online, under the fraud section, at www.WorkforceSafety.com
- Download and complete a Fraud Report form from our website and mail it to:
Special Investigations Unit
PO Box 5585
Bismarck, ND 58503-5585

The SIU receives many tips from different sources. All information will be reviewed, and may result in an investigation. Information will remain anonymous upon request.



Fraud Hotline: 1-800-243-3331

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STOP FRAUD



Special Investigations Unit

www.WorkforceSafety.com
Fraud Hotline: 1-800-243-3331

What is Fraud?

Fraud occurs when a person knowingly or intentionally conceals, misrepresents, or makes a false statement to obtain workers' compensation benefits or insurance coverage, or otherwise profit from the deceit. Fraud ranges from a business under reporting worker hours to providers billing for services not performed, to an injured worker collecting undue time-loss compensation benefits.

North Dakota workers and businesses pay the price for worker's compensation fraud.

In 1994 WSI established a Special Investigations Unit (SIU) to combat fraud through investigation, prosecution, and public awareness programs. The SIU program includes anti-fraud training for employees within WSI, as well as external businesses and providers.

SIU investigates to prove, but also disprove, fraudulent behavior and activity, by gathering evidence through a variety of means. This may include surveillance, subpoena information, witness statements and interviews, and reviewing surveillance footage.

In addition to fighting fraud, the SIU department also conducts special assignments to gather information to expedite WSI's services to employers, injured workers, and providers of North Dakota.

**See back of brochure
to find out how
to report workers'
compensation fraud.**

Employer FRAUD

- Intentional failure to secure coverage for employees
 - > An uninsured employer discourages an injured worker from filing a workers' compensation claim
 - > An employer falsely claims employees are independent contractors
- Misrepresenting the amount of payroll to WSI
 - > An employer understates payroll in an effort to save on premium costs
- Employer paying cash wages
 - > An employer reports fewer workers than actually employed
- Reporting wages under an incorrect rate classification to reduce premiums
 - > An employer continually underbids other contractors, possibly saving money by reporting employees in lower-rated classes

Worker FRAUD

- Filing a claim for an injury not sustained at work
 - > The worker delays reporting the claim without reasonable explanation
 - > Workers' description does not logically support the cause of injury
 - > The accident occurred immediately before job termination, layoff, or end of seasonal work
- Working while receiving wage loss benefits and not reporting the income received
 - > After injury, the injured worker is never home
- Misrepresenting their physical condition to WSI and the medical provider
 - > The injured worker refuses a diagnostic procedure to confirm the nature or extent of injury
 - > The injured worker is seen engaging in activities outside the restrictions outlined by their medical provider

Medical Provider/Attorney FRAUD

- Inflated billing for services
 - > Amount billed does not correspond to services rendered
- Billing for service not performed
 - > Charges submitted for payment without supporting documentation

* Fraud indicators do not mean fraud has occurred, but they may require a closer review of the claim, application, or medical information.