

INSURANCE FRAUD

WSI SPECIAL INVESTIGATIONS UNIT

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 covers a range of activities whether it's a business underreporting worker hours, providers billing for services not performed, or an injured employee collecting undue time-loss compensation benefits.

In 1994, WSI established the 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, SIU also conducts special assignments to gather information to expedite WSI's services to employers, injured employees, and providers of North Dakota.



Fraud is big business! Insurance and medical fraud are a \$100 billion a year industry. Annually, workers' compensation fraud accounts for \$10 billion. To put that into perspective, if it was a legitimate business, insurance fraud would be a top-ranked Fortune 500 company.

REPORT SUSPECTED FRAUD TO WSI

The success of detecting workers' compensation fraud depends on everyone reporting questionable or suspicious activities. Report suspected fraud by phone, online, or mail.

- Call 1-800-777-5033 or the WSI Fraud Hotline at 1-800-243-3331.
- Report online at workforcesafety.com >> Quick Links >> Fraud Investigation Referral.
- Download and complete a Fraud Report form at workforcesafety.com/about-us/fraud-awareness. Mail the form to Special Investigations Unit, PO Box 5585, Bismarck, ND 58503-5585.

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



To report fraud visit

[WORKFORCESAFETY.COM](https://workforcesafety.com) >> QUICK LINKS >> FRAUD INVESTIGATION REFERRAL

INSURANCE FRAUD

CONTINUED



TYPES OF INSURANCE FRAUD & FRAUD INDICATORS

EMPLOYER FRAUD

Intentional failure to secure coverage for employees

- An uninsured employer discourages an injured employee 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 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
- Worker's 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 employee is never home

Misrepresenting their physical condition to WSI and the medical provider

- The injured employee refuses a diagnostic procedure to confirm the nature or extent of injury
- The injured employee 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 a 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, account, or medical information.