

13 WAYS TO FIGHT FRAUD IN THE WORKPLACE

(AND OTHER PRACTICAL ADVICE)

1. Show your employees you care about them. It's true. Companies that treat workers fairly and with concern have the fewest job injuries and fraudulent claims. Listen to your employees' concerns and respond to their input. Regularly assess attitude and morale as well.

2. Maintain a safe work environment. Every employer should have an injury and illness prevention program. If you don't already have one, State Fund can help you create your own. By providing ongoing safety-related training, incentives, and meetings, you can help ensure a safe workplace.



3. Educate your employees about workers' compensation. The law requires you to inform your employees about their workers' compensation rights. They should understand the workers' benefits for legitimate claims and the penalties for fraudulent ones. Don't be afraid that, by receiving too much information, they'll abuse the system. Chances are they've already been exposed to misleading information, and you can put an end to any misconceptions.



4. Become familiar with the State Fund Medical Provider Network (MPN). To obtain medical control for the life of the claim, you need to make sure that an MPN physician provides the initial treatment. Subsequent treatment should also come from an MPN provider chosen by the injured employee. You can access a list of MPN providers by using MEDfinder at www.scif.com or by calling the State Fund Claims Reporting Center at (888) 222-3211.



5. Establish procedures for reporting accidents. Familiarize employees and supervisors with workers' compensation reporting procedures and have appropriate report forms on hand. Train supervisors to investigate work-related accidents thoroughly. Make sure everyone understands the need to report injuries promptly. State Fund maintains a toll-free number [(888) 222-3211] for reporting claims.

6. Handle fired workers with care. Disgruntled ex-employees are often angry and more likely to file false claims. They can also be easy prey for unscrupulous professionals. You should document the work-related activities of employees who are about to be laid off or fired. Conduct exit interviews of employees that include questions about the employee's physical condition and any on-the-job accidents or injuries not yet reported. The answers to these questions may help refute or deter future false claims.



7. Publicize your tough stance against fraud. Inform employees that all suspicious claims will be investigated, all improper claims fought, and all evidence of criminal wrongdoing turned over to the DA's office for prosecution.

8. Investigate immediately. You should investigate all injuries thoroughly. In addition, while memories are still fresh, talk to each witness and coworker separately, and ask each one what he or she knows

about the injury. Following your investigation, discuss your findings with your State Fund claims adjuster. Be sure to relay any suspicions of fraud.

9. Pave the way for a smooth return to work. Keep in touch with injured employees and make it clear you're looking forward to having them back at work as soon as the doctor gives the go-ahead. Employees who feel valued and needed are far less likely to abuse the system. If possible, devise a modified work program to speed their return to work.



10. Neither deny nor confirm doubtful claims. You may receive phone calls or letters from medical or legal providers asking you to verify injuries you think are suspicious. You should refer all such questions directly to State Fund without discussion, because anything you say can be used to legitimize unnecessary medical and legal services.



11. Don't be an unwitting part of the fraud problem. There are several ways by which an employer can be accused and found guilty of workers' compensation fraud. Don't let it happen to you. Be aware that the following actions may be considered fraud:

- Knowingly providing false or misleading information regarding entitlement to benefits to discourage an injured worker from filing or pursuing a claim.
- Knowingly giving false information that causes the carrier to either deny benefits that should be paid or pay benefits that are not due.
- Knowingly giving false information for the purpose of reducing the premium, rate, or cost of your workers' compensation insurance. For example: Intentionally underreporting the amount of your payroll or knowingly using inappropriate classifications.

12. Protect yourself by acting responsibly. Fraud is a serious accusation that, if not handled correctly, could put you in the middle of a lawsuit for libel or slander. Give yourself added protection. Voice your suspicions only to your State Fund representative. Let State Fund be responsible for validating your suspicions and reporting appropriate cases to authorities.

13. Use State Fund's materials to help you fight fraud.

- Post State Fund anti-fraud posters in very visible locations.
- Give all employees a State Fund Fraud Hot Line flyer. Invite them to help in the battle against workers' compensation fraud. They can do so anonymously.
- Show your employees the State Fund anti-fraud educational video.*

*Note: Please contact your State Fund representative for information.





WARNING FLAGS OF SUSPICIOUS ACTIVITIES

FOLLOWING A WORK-RELATED INJURY

The presence of one or more “red flags” does not necessarily mean that fraud actually has occurred. They are simply warning signs to investigate further for potential fraud.

REMEMBER: IT IS NOT FRAUD UNTIL PROVEN IN A COURT OF LAW. UNTIL PROVEN IN COURT, IT IS ONLY SUSPICION.

- Was there an unexplained or unreasonable delay by the employee in reporting the injury to you?
- Does the employee give inconsistent descriptions of how the injury occurred?
- Are there no eyewitnesses to the injury? Did it happen at an odd time (break, lunch, etc.) or where the employee was not supposed to be?
- Have you had trouble reaching the injured employee at home while he or she is supposed to be off work due to the injury?
- Is there an unusual coincidence between the employee’s alleged date of industrial injury and his or her need for personal time off?
- Does the employee have any new or unusual financial problems? Has the employee borrowed money from coworkers or the company or requested pay advances?
- Do you have suspicions regarding weekend activities that may explain the “first thing Monday morning” injury?
- Does the employee have hobbies or play sports that could cause an injury similar to the alleged work injury?
- Does the employee have any preexisting medical conditions similar to the alleged industrial injury?
- Does the employee do volunteer work or have another paying job?
- Does the employee have a history of short-term employment?
- For post-termination claims:
 - Was the alleged injury reported by the employee prior to termination?
 - Did the employee exhaust his or her unemployment benefits prior to claiming workers’ compensation benefits?