

What you can do to stop fraud

Report situations you think may be fraudulent and let others know how to report. Your leads will help L&I track down and stop workers' compensation fraud.

L&I fraud reporting hotline

1-888-811-5974

L&I fraud reporting website

www.Fraud.Lni.wa.gov



Education & Enforcement

Working together for a fair and vital economy

UW Office of Risk Management

Claims Services

206-543-0183

claims@uw.edu

<http://f2.washington.edu/treasury/riskgmt/wc>

Other formats for persons with disabilities are available on request. Call 1-800-547-8367. TDD users, call 360-902-5797. L&I is an equal opportunity employer.

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Workers' Compensation Fraud Hurts YOU



Fraud takes its toll on honest people and organizations. That's not fair.

That's why the Department of Labor & Industries (L&I) and the University of Washington are attacking fraud from many angles — and getting results.

 Washington State Department of Labor & Industries



Cheating the workers' comp system is NOT a victimless crime



Here's why:

- **The University of Washington is in the Higher Education Risk Class and is a large employer in the state.** We employ students, researchers, medical professionals, teachers, administrators and others. Claims fraud undercuts the University's ability to achieve its mission of teaching, research and patient care.
- **Workers who scam the system hurt their co-workers as well as their employers.** Workers pay about 25 percent of workers' compensation premiums. Their payroll deduction, as well as the premiums the University pays, goes up when workers collect benefits they are not entitled to receive.
- **Dishonest providers inflate medical costs when they bill for services they did not provide.** Inappropriate billing impacts costs in two ways: It causes an individual employer's rates to rise, causing the employer and the employer's workers to pay more, and it increases medical costs overall.

Spotting the signs of fraud

Not injured at work or not injured at all

- Injury occurred while they were off work.
- Long lapse between injury and treatment.
- Inconsistent stories about how injury occurred.

Participating in inappropriate activities

- Participating in recreational activities inconsistent with their injury.
- Wrongfully claiming dependents or spouse.

Working while on disability

- Working while receiving workers' compensation benefits.
- Receiving duplicate benefits — workers' compensation payments for an injury while also claiming unemployment benefits.
- Working and being paid "under the table" or off the books while receiving workers' compensation benefits.

L&I fights fraud to keep the workers' compensation system healthy — and to protect the honest employers, workers and health care providers who rely on it!



L&I and the University of Washington are attacking fraud on multiple fronts. They use new tools, technology and dedicated staff to identify, investigate and prevent claim fraud. L&I's fraud team expertly handles hundreds of calls and online fraud tips every year.

These resources allow L&I and UW to:

- Find claimants who may be inappropriately receiving benefits.
- Monitor and review the quality and appropriateness of care provided by health care professionals, the performance of vocational counselors and the billing practices of both.
- Gather evidence needed to refer cases for criminal prosecution.
- Investigate available resources for indication of unapproved outside work, which may affect a worker's benefits.
- Investigate inconsistencies between injury and work, and follow up on red flags.

Benefit recovery

The L&I Investigations program issued 187 Administrative Fraud Orders (AFO) in 2013. The assessments totaled \$6.3 million. Investigations do not just identify debts owed to L&I; they also avoid unnecessary expenses. When investigators determine a claimant is not entitled to benefits, L&I stops paying them. Never paying for fraudulent benefits is preferable to trying to recover money after the fact.

Fraud uncovered by L&I

Recent cases

- A pensioner who returned to work using his son's Social Security number came to L&I's attention through an anonymous tip. He was sentenced to four months in jail, with work release, and ordered to pay \$60,000.
- A UW employee was operating his own business while collecting workers' compensation wage replacement benefits. He was ordered to repay the benefits, plus a 50% penalty, totaling more than \$22,000.
- A Tacoma husband and wife each pleaded guilty to one count of felony theft for collecting workers' compensation benefits illegally. L&I stopped benefit payments after an investigation determined that they continued working after their purported injuries occurred. Each felony count carries a maximum penalty of 10 years in prison and a \$20,000 fine, in addition to restitution.



How L&I handles suspected fraud

In general, injured workers, employers and health care providers do not misuse the workers' compensation system. However, some act unethically or illegally for financial gain.

L&I reviews every tip reporting potential fraud. Investigators work to build a case. Auditors determine how much money is owed. Revenue agents work to collect it. The worst cases end up in court.

Investigations can take several months or longer to complete, depending on the complexity of the case. Information is confidential until the investigation concludes.

L&I can take civil action to recover monies owed or work with prosecutors to pursue criminal charges, depending on the circumstances.