

## Catching workers' comp fraud benefits consumers, businesses

By: Ruth de Jauregui

Workers' compensation fraud is an ongoing issue in the workplace.

Fraud is not limited to workers claiming that they are injured on the job, as the overall picture incorporates a four potential areas of fraud – employees, businesses and doctors and lawyers.

Aljazeera America's Ali Velshi followed Illinois-based private investigator Bob Kiehn last year as he tracked an employee who might be committing workers' compensation fraud. By following the employee, who claimed he had fallen on the job and was too injured to work, Kiehn tracked him to a possible worksite – a second job. After eight hours in the building, the employee reappeared and went home for the night.

Kiehn showed video of another "injured" worker on workers' compensation -- on vacation and enjoying a day on the water with his jet ski.

A third worker, a landscaper, was shown climbing trees with a chainsaw in hand and cutting branches.

"When we are submitting our evidence that is directly opposite of what these people are claiming, we are saving the companies hundreds of thousands, millions of dollars, without exaggeration, per claim," Kiehn said.

Coalition Against Insurance Fraud Director of Communications James Quiggle was quick to point out that workers comp fraud is huge in America. He told Velshi in the "On Target" segment. "Tens of billions of dollars, if not more, are stolen every year."

The coalition's website pointed out that most employers and employees are honest. It only takes a few dishonest individuals committing fraud, however, to drive up insurance premiums.

With increased insurance costs, businesses may struggle to stay afloat and lay off workers to save money. In addition, the costs of fraud are passed on to consumers, who pay higher prices for goods and services.

The first pillar of the triad is the false claim. A worker might be injured and doesn't want to go back to work after the injury has healed. Other fraudsters fake an on-the-job injury or claim that an off-site injury happened while at work. Some fraudsters, such as the employee Kiehn tracked down, hold a second job while collecting workers' compensation benefits.

The premium scam is the second pillar of the triad. By claiming that workers are holding down

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desk jobs instead of working on construction sites or calling employees independent contractors, employers pay lower premiums. Some businesses don't buy the mandatory workers' compensation, putting employees at risk if they are injured. In addition, some companies routinely discourage employees from filing workers' compensation claims. In some cases, injured workers are fired.

Bogus medical claims and lawsuits form the third pillar. Clinics may bill for unnecessary tests or procedures that were not performed. Dishonest attorneys may convince employees to sue the insurance company in the hope that the case is settled out of court – a big payoff for very little work.

All of these actions constitute workers' compensation fraud. Private investigators like Kiehn make a living following and videoing workers suspected of fraud, while auditors and other financial experts track down employer and medical fraud.

"This should be more of a crime that is aggressively pursued," Kiehn said on "On Target."

In Illinois, it is against the law to make a false claim or statement to obtain workers' compensation benefits. It is also against the law for an employer to make a false statement to prevent an injured worker from filing a claim and to make false statements to obtain workers'