

WORK COMP FRAUD: SPOT IT AND STOP IT!

**FRAUD AWARENESS &
PREVENTION**



TODAY'S SPEAKERS



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Special Investigation Unit
ICW Group



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Major Case Investigator
Special Investigation Unit
ICW Group

WHAT YOU'LL LEARN TODAY

- What is fraud?
- Types of Work Comp fraud
- Tips for preventing fraud in the workplace
- Ways to spot fraud
- What to do when you suspect fraud
- How ICW Group partners with you

WHAT IS FRAUD?

Use **BITE** to defeat fraudsters -



icwGROUP
Insurance Companies

855-ICW-FRAUD
reportfraud@icwgroup.com

Take a **BITE** out of
work comp fraud!

B	I	T	E
DID THEY BENEFIT?	WAS THERE INTENT?	DID THEY TELL A LIE?	IS THERE EVIDENCE?

B

Did they
BENEFIT?

I

Was the act
INTENTIONAL?

T

Did they
TELL a lie?

E

Is there
EVIDENCE?



TYPES OF WORK COMP FRAUD

TYPES OF WORK COMP FRAUD

CLAIMANT FRAUD

Occurs when an employee makes a false claim of injury or makes a material misrepresentation that would have an impact on the claim.

TYPES OF WORK COMP FRAUD

PROVIDER FRAUD

Intentional deception by an entity or person who provides a service within a claim for the purpose of receiving unearned or excess payments.

TYPES OF WORK COMP FRAUD

PREMIUM FRAUD

Material misrepresentation made to the insurance carrier for the purpose of reducing annual premium or avoiding an increase in premium.

HOW YOU CAN PREVENT FRAUD



WAYS YOU CAN PREVENT FRAUD

STARTS AT THE HIRING PROCESS

- CONDUCT AS MUCH VETTING AS POSSIBLE
- PERFORM A THOROUGH PRE-HIRE BACKGROUND CHECK
- MAINTAIN CURRENT RECORDS OF ALL EMPLOYEES
- RECOGNIZE FAKE ID DOCUMENTS

WAYS YOU CAN PREVENT FRAUD

EDUCATION & TRAINING

- EDUCATE EMPLOYEES ON BENEFITS AVAILABLE
- ENSURE EMPLOYEES KNOW HOW TO REPORT AN INJURY
- TRAIN MANAGERS ON PROPER INJURY INVESTIGATIONS
- DOCUMENT ALL COMPLAINTS
- REPORT ALL INJURIES TO ICW GROUP

CREATE A STRONG SAFETY CULTURE

- DEVELOP A COMPREHENSIVE SAFETY PROGRAM
- INSTITUTE MONTHLY OR QUARTERLY SAFETY MEETINGS
- INVEST IN QUALITY SAFETY EQUIPMENT
- ENGAGE CURRENT EMPLOYEES IN SAFETY PROGRAM CREATION
- COLLABORATE WITH YOUR ICW RISK MANAGEMENT CONSULTANT

WAYS YOU CAN PREVENT FRAUD

ZERO TOLERANCE

- IMPLEMENT STRINGENT POLICIES AGAINST ALL SUSPECTED FRAUD
- POST ANTI-FRAUD SIGNAGE AVAILABLE ON POLICYHOLDER CENTER
- PROMOTE FRAUD TIP HOTLINE (855-ICW-FRAUD)
- COMMUNICATE IMPACT TO BOTTOM LINE, EMPLOYEE RAISES AND BENEFITS



Commit Workers' Comp Fraud, Shorten Your Commute.

Don't do it. Don't tolerate it. Report it:
855-ICW-FRAUD
855-429-3728
fraudunit@icwgroup.com

The penalties are serious:*

- Prison terms between 5 to 30 years
- Up to \$150,000 fine or double the value of the FRAUD, whichever is greater.

* Criminal penalties dependent on applicable state laws.

WAYS YOU CAN PREVENT FRAUD

UTILIZE SURVEILLANCE

- INVEST IN SECURITY CAMERAS AROUND WORK PREMISES
- USE TO VALIDATE LEGITIMATE INJURIES OR REFUTE FALSE CLAIMS
- DETERS FRAUD FROM OCCURRING
- PRESERVE VIDEO EVIDENCE FOR FUTURE USE

WAYS YOU CAN PREVENT FRAUD

DON'T IGNORE COMPLAINTS

- LISTEN TO EMPLOYEE COMPLAINTS OF POOR TREATMENT OR UNSAFE CONDITIONS
- PROVIDE SOLUTIONS TO COMPLAINTS FOR EMPLOYEE MORALE
- IF A WORKER COMPLAINS OF INJURY, ASK IF WORK-RELATED AND IF MEDICAL TREATMENT IS NEEDED

WAYS YOU CAN PREVENT FRAUD

CONDUCT INVESTIGATION OF INJURY

- TAKE PICTURES OF ACCIDENT SITE AND REVIEW SURVEILLANCE
- COMPLETE **R.E.P.O.R.T** WORKSHEET FOUND ON POLICYHOLDER CENTER
- REPORT SUSPICIOUS CLAIMS TO ICW GROUP FRAUD HOTLINE

ICWGROUP
Insurance Companies

For Your Records

R E P O R T
Respond Employee Place Obtain Report Team

Use this R.E.P.O.R.T. worksheet to guide your investigative process. This step-by-step tool will help you gather the information needed should a fraudulent claim occur. Remember, 80-90% of reported claims are NOT considered fraudulent – all employees are presumed innocent until proven guilty.

This is not a substitute for your First Notice of Injury or Loss filing.

Complete questions below for each section. If you answer NO, look for the warning signs!

R – Respond get help for the injured worker

Start by submitting the First Notice of Injury or Loss, then begin your investigation. Attach the copy of First Notice of Injury or Loss for this record.

Claim number: _____ Injury Date: _____ Reported Date: _____

Check YES or NO. If answer is NO – look for these warning signs

1. The gap between the injury and reported date (above) makes sense.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	• Injury reporting is delayed • Unclear about date/time
2. Worker has not sought immediate attorney representation.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	• Attorney is representing injured worker • Attorney reported incident first

Explain any "NO" indicated in the above section

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www.icwgroup.com | 800.877.1111

Page 1



HOW YOU CAN SPOT POTENTIAL FRAUD

HOW YOU CAN SPOT FRAUD

- **TIMING OF CLAIM REPORTING**
- **MISSING/VAGUE WITNESS STATEMENTS**
- **UNEXPECTED LOCATION**
- **CIRCULATING RUMORS**

HOW YOU CAN SPOT FRAUD

- 
- **EXCESSIVE TREATMENT**
 - **SIMILAR TO RECENT CLAIMS**
 - **INCONSISTENT STATEMENTS**
 - **AVOIDS RETURN TO WORK**

WHEN YOU SUSPECT FRAUD



WHEN YOU SUSPECT FRAUD

SHOW SYMPATHY & RESPECT

- RECOGNIZE THE INJURY COULD BE LEGITIMATE
- AVOID TEMPTATION TO PAY FOR MEDICAL TREATMENT OUT OF POCKET
- PROMPTLY REPORT INJURY TO ICW GROUP

WHEN YOU SUSPECT FRAUD

BEGIN YOUR INVESTIGATION

- SECURE STATEMENT FROM INJURED WORKER
- TALK TO WITNESSES
- HAVE INJURED WORKER SIGN/DATE LOSS FORM
- UTILIZE R.E.P.O.R.T WORKSHEET

WHEN YOU SUSPECT FRAUD

SHARE PROOF WITH ICW GROUP

- PRESERVE EVIDENCE
- NOTIFY ICW GROUP'S SIU (855-ICW-FRAUD)
- SIU WILL PROVIDE GUIDANCE IN HOW TO DELIVER PROOF, NEXT STEPS AND ASSIST WITH CASE

A background image showing two men in business suits shaking hands. The image is faded and serves as a backdrop for the text overlay.

**ICW IS YOUR PARTNER
IN THIS FIGHT**

ICW GROUP HAS YOUR BACK



EVERY claim reviewed for fraud within 24 hours



Vetted against **3,000+ red flag/data points**



If fraud likely, referred for **criminal investigation & prosecution**



5x claims investigated vs. industry average

All claims checked throughout entire lifecycle – even after close!

ICW GROUP HAS YOUR BACK



MULTI-LEVEL INVESTIGATIONS



1,000+

field investigators



24/7

unmanned surveillance



200+

social media site checks
per claim

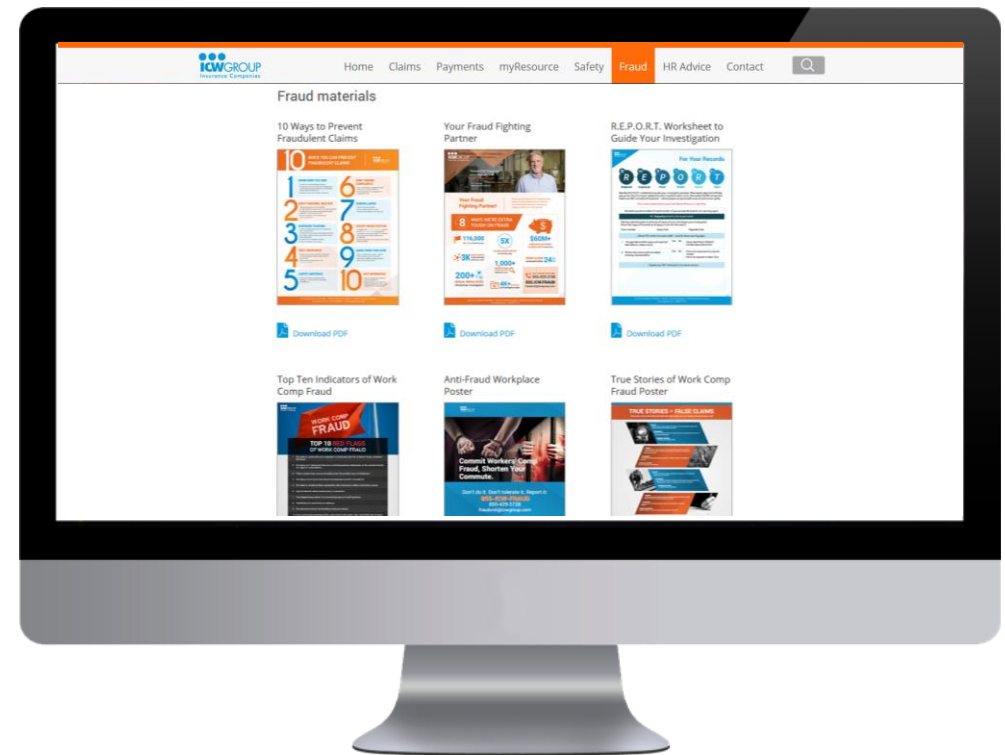
ICW GROUP POLICYHOLDER CENTER



icwgroup.com/pc

RESOURCES:

- Risk Management
- Claims
- Payroll Reporting
- Injured Worker Resources
- Anti-Fraud Materials



ANTI-FRAUD MATERIALS

REPOR T
Respond Employee Place Obtain Report
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Complete questions below for each section. If you answer NO, look for the warning signs.
It – Respond get help for the injured worker.
Start by submitting the First Notice of Injury or Loss, then begin your investigation. Attach the copy of First Notice of Injury or Loss for this record.
Injury Date: _____
Claim number: _____
Check YES or NO. If answer is NO – look for these warning signs.
1. The gap between the injury and reported date (above) makes sense. Yes ☐ No ☐
2. Worker has not sought immediate medical attention. Yes ☐ No ☐
3. Injury reporting is delayed. Yes ☐ No ☐
4. Unclear about date/time of injury. Yes ☐ No ☐
5. Injury reporting is delayed. Yes ☐ No ☐
6. Unclear about date/time of injury. Yes ☐ No ☐
7. Injury reporting is delayed. Yes ☐ No ☐
8. Unclear about date/time of injury. Yes ☐ No ☐
9. Injury reporting is delayed. Yes ☐ No ☐
10. Unclear about date/time of injury. Yes ☐ No ☐
icwgroup.com/fraud

WATCH OUT FOR WORK COMP FRAUDSTERS
EMPLOYEES
Injuries not from work
HEALTH CARE PROVIDERS
Unnecessary treatments
LAW PROFESSIONALS
Colluding with medical providers
Fight fraud - icwgroup.com/fraud

10 MOST ASKED QUESTIONS ABOUT WORK COMP FRAUD
1. WHAT PERCENT OF CLAIMS BECOME FRAUDULENT?
Actual injury fraud is less than 10%. It's often what turns into fraud, not the injury itself.
2. DO YOU DO INVESTIGATIVE SURVEILLANCE?
You best in fact we conduct 30,000 hours annually. Surveys that turn into fraud, not the injury itself.
3. MUST I INITIATE THE INVESTIGATION?
No, we even if you don't suspect! Every claim is investigated. We'll be sure to research claim history for suspicious activity.
4. DOES PRIOR MEDICAL HISTORY COUNT?
Yes! We look at history for patterns to help determine if the injury is related to the work or a pre-existing condition.
5. CAN I RESEARCH CLAIM HISTORY?
That's a great first step towards preventing fraud. We'll be sure to research claim history for suspicious activity.
6. WHAT FRAUD ISSUES ARISE MOST OFTEN?
It's never easy when a claimant is involved. It's a never-ending cycle of fraud. With every claim, we're sure to research claim history for suspicious activity.
7. SHOULD I PAY OUT-OF-POCKET?
No! We'll be sure to research claim history for suspicious activity.
8. WHAT IS LAW ENFORCEMENT'S ROLE?
Once we do suspect fraud and have material evidence, we refer to law enforcement for criminal investigations and prosecution considerations.
9. WHY SETTLE AND NOT PROSECUTE?
Evidence is key! Most claims are legitimate, but it's suspicious we investigate. When strong evidence may exist, the defense may be costly. Just Your Claims Examiner wants to secure the best evidence for optimal case outcome.
10. WHERE CAN I FIND ANTI-FRAUD MATERIALS?
We provide helpful materials online, including the R.E.P.O.R.T. & Step by Step Investigative Process. Visit our website for more information.
icwgroup.com/fraud

TRUE STORIES OF FALSE CLAIMS
Work Comp Fraud Stories Never End Well. Don't Risk Losing Your Job, Paying a Fine and Going to Jail!
Story #1: A worker filed a claim and was later found to be a fraudulent claimant. The worker was fired and the company was fined \$10,000.
Story #2: A worker filed a claim and was later found to be a fraudulent claimant. The worker was fired and the company was fined \$10,000.
Story #3: A worker filed a claim and was later found to be a fraudulent claimant. The worker was fired and the company was fined \$10,000.
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Story #6: A worker filed a claim and was later found to be a fraudulent claimant. The worker was fired and the company was fined \$10,000.
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Story #9: A worker filed a claim and was later found to be a fraudulent claimant. The worker was fired and the company was fined \$10,000.
Story #10: A worker filed a claim and was later found to be a fraudulent claimant. The worker was fired and the company was fined \$10,000.

10 WAYS YOU CAN PREVENT FRAUDULENT CLAIMS
1. KNOW WHO YOU HIRE
2. DON'T HESITATE, EDUCATE
3. MANAGER TRAINING
4. DON'T IGNORE COMPLAINTS
5. SURVEILLANCE
6. INJURY INVESTIGATION
7. PROTECT YOURSELF AGAINST WORK COMP FRAUDSTERS
8. EDUCATE & COMMUNICATE
9. ENSURE AWARENESS
10. FOSTER ACCOUNTABILITY
11. CREATE THE RIGHT CULTURE
12. FIGHT FRAUD - icwgroup.com/fraud

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QUESTIONS?

FRAUD AWARENESS & PREVENTION



THANK YOU!

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PREVENTION**

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