



# IDENTIFYING THE MODERN FRAUDSTER

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*Spot It & Stop It Series*

*Presented by ICW Group Special Investigation Unit*



# Today's Speaker



Investigations

Chris Dill

Special Investigations  
Unit Manager  
ICW Group

# Today's topics

Introduction

Types of work comp fraudsters

The warning signs!

Modern fraudsters techniques

Case examples of modern fraud

How to protect yourself!



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# International Fraud Awareness Week



[www.fraudweek.com](http://www.fraudweek.com)

# Spot it & Stop it Webinar Series



- Fraud: Spot It & Stop It
- Initial Employer Investigations
- 10 Steps to Prevent Fraudulent Claims
- Your Questions, Answered



[icwgroup.com/fraud](http://icwgroup.com/fraud)

# Fraud Defined...by the book

**fraud / frôd / n** 1. The intentional manipulation of the truth for financial or personal gain.

**fraudster / frôd-stər / n** 1. The person who engages in fraud.



# A better definition - B.I.T.E.

Use **BITE** to defeat fraudsters -



**icw**GROUP  
Insurance Companies

855-ICW-FRAUD  
reportfraud@icwgroup.com

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

<b>B</b>	<b>I</b>	<b>T</b>	<b>E</b>
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?**

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## WATCH OUT FOR WORK COMP FRAUDSTERS

### EMPLOYEES

-  Made up or staged injuries
-  Exaggerating injuries
-  Injuries not from work

### HEALTH CARE PROVIDERS

-  Unnecessary treatments
-  Fabricating injuries
-  Partnering with lawyers

### LAW PROFESSIONALS

-  Encouraging lawsuits
-  Claims unrelated to original injury
-  Colluding with medical providers

Fight fraud - [icwgroup.com/fraud](http://icwgroup.com/fraud)

# Who are work comp fraudsters?

## Employees who...

- Staged or made up an injury.
- Injured – but exaggerate extend.
- Suffered injured elsewhere, not on job.



# Who are work comp fraudsters?

## Healthcare Providers who...

- Advise unnecessary treatments.
- Help to fabricate injuries.
- Work with groups of lawyers.



# Who are work comp fraudsters?

## Lawyers who...

- Sole purpose is to encourage lawsuits.
- Encourages worker to create more claims.
- Works hand-in-hand with doctors.



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## WARNING SIGNS OF WORK COMP FRAUDSTERS

Not surprisingly, it's never easy to know who might commit workers' compensation fraud. However, there are some leading indicators - especially in today's world where work furloughs and layoffs are becoming common and many employees are worried about their next paycheck! In combination, the below factors *may* increase the likelihood someone might consider committing work comp fraud:

-  **1 Certain demographics:** Lower wage + physical occupation + male.
-  **2 Feelings of mistreatment:** Due to poor working conditions, recent furloughs, in industry impacted by COVID-19.
-  **3 Location, location, location:** They reside in "fraud hotspots."
-  **4 Financial:** Experiencing recent challenges, strained bankbook, unforeseen expenses.
-  **5 History:** Prior filing of work comp claims in their background.



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# Low Wage-Earning Males

69%

males

40%

35-40 years old

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# 2

# Feelings of Mistreatment

## Looking for a “helping hand”

- Plays on feelings
- Recent situation
- Bait & switch
- Work comp claim!

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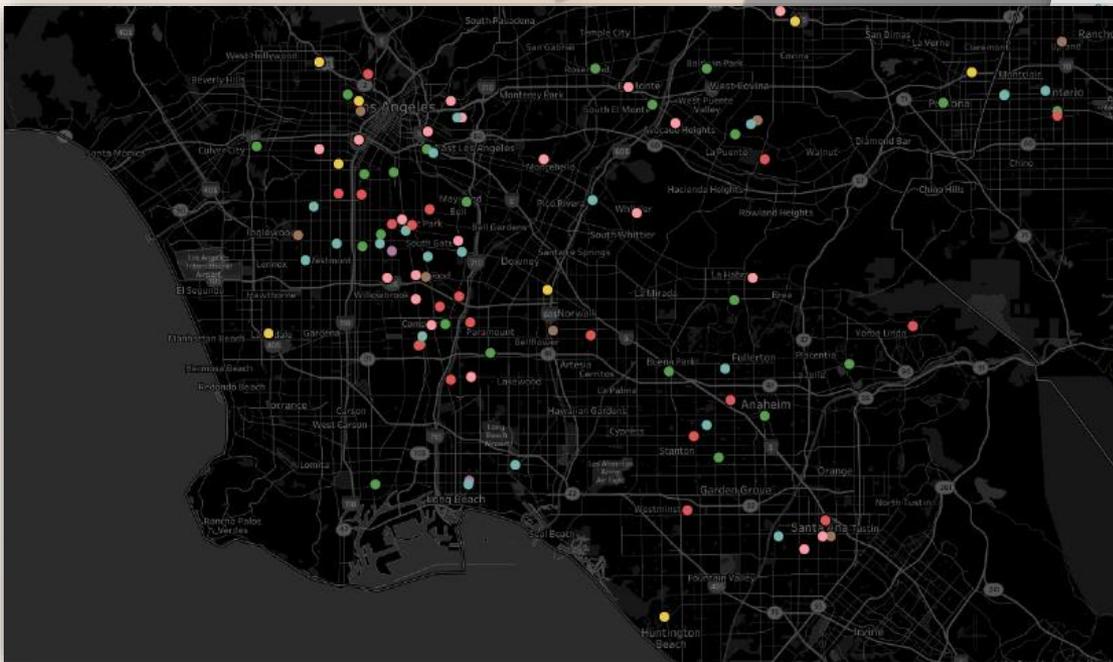


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# Location, location, location!

## Fraud hotspots!



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- Feelings of mistreatment:** Due to poor working conditions, recent furloughs, in industry impacted by COVID-19.
- Location, location, location:** They reside in identified hotspots."
- Financial:** Experiencing recent challenges, depleted bankbook, unforeseen expenses.
- History:** Prior filing of work comp claim, no background check.



[icwgroup.com/fraud](http://icwgroup.com/fraud)



# Financial

Challenges, strained bankbook,  
unforeseen expenses

**46%**

live beyond  
their means

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## WARNING SIGNS OF WORK COMP FRAUDSTERS

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# Prior Claims History

## All Claims Database

- Past claims
- Unusually frequent filings

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### WARNING SIGNS OF WORK COMP FRAUDSTERS

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# The fraudster rollup:

- 69%** males
- 40%** 35-40 years old
- 50%** >5 years employed
- 46%** live beyond means



**ACFE**<sup>SM</sup>

Association of Certified Fraud Examiners

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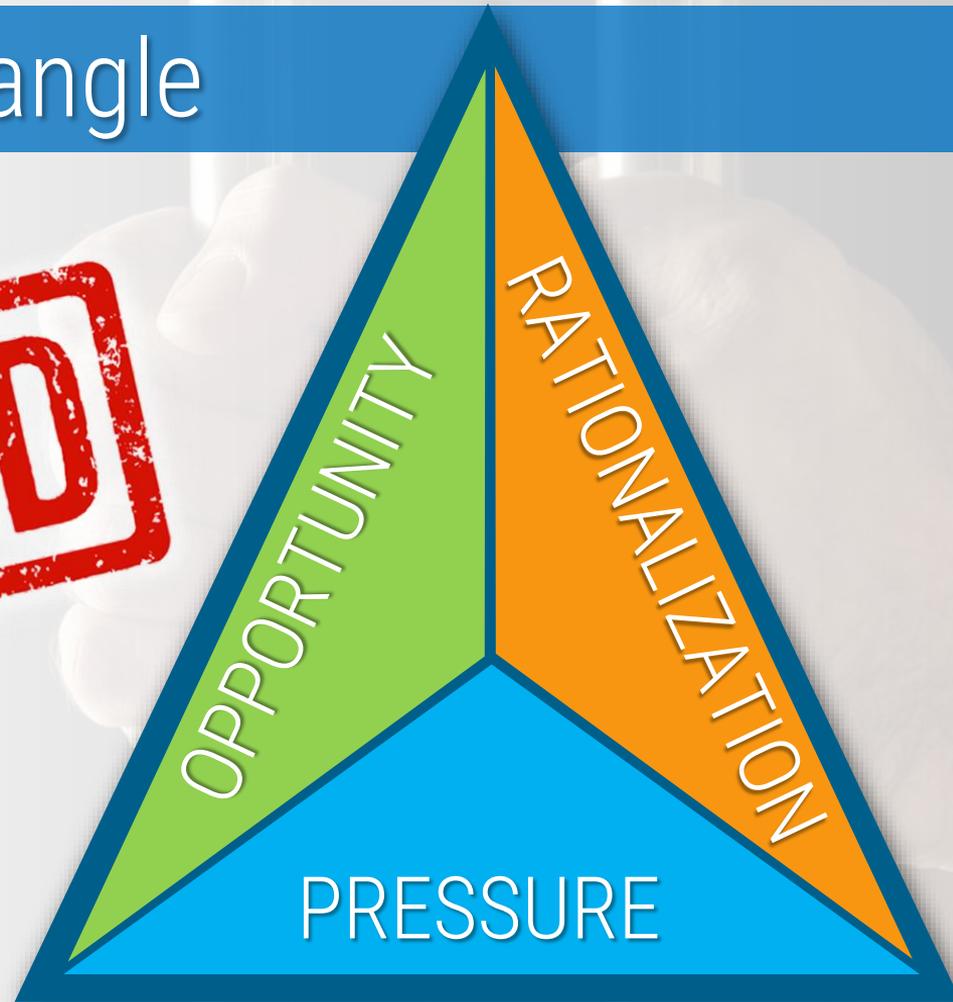
Case examples of modern fraud

How to protect yourself!



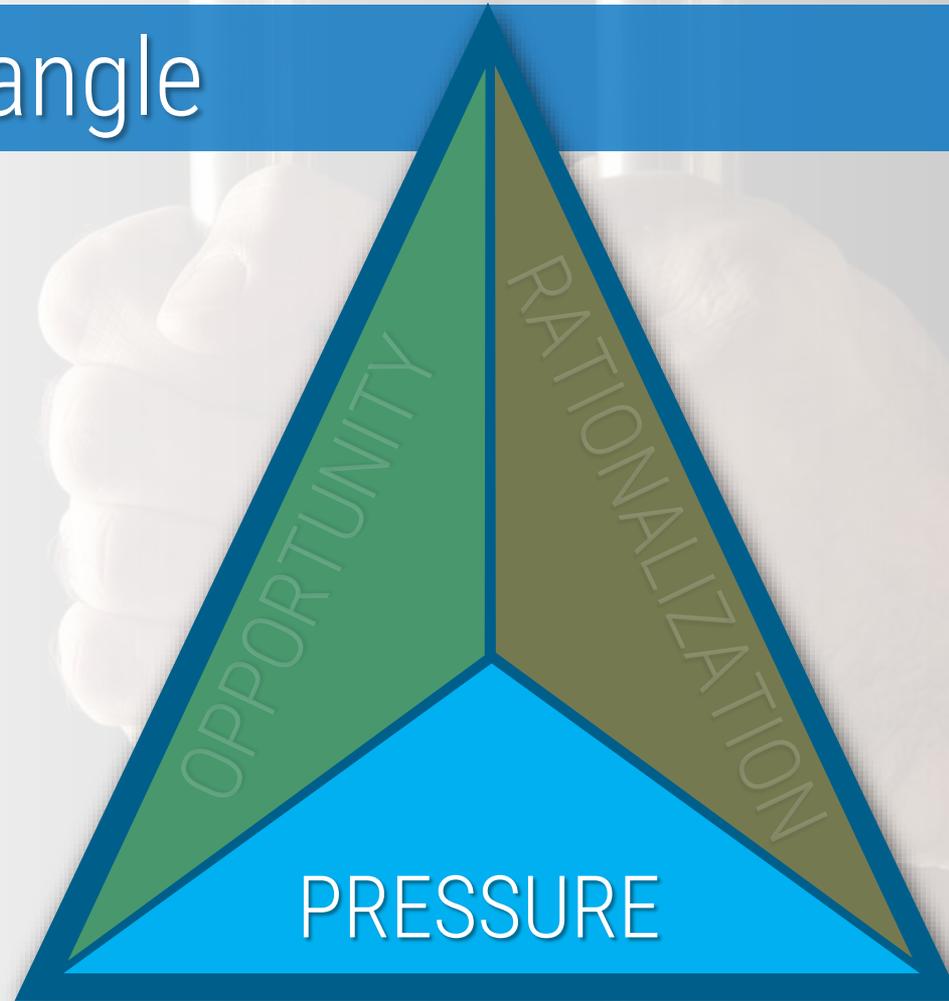
# The Fraud Triangle

**FRAUD**



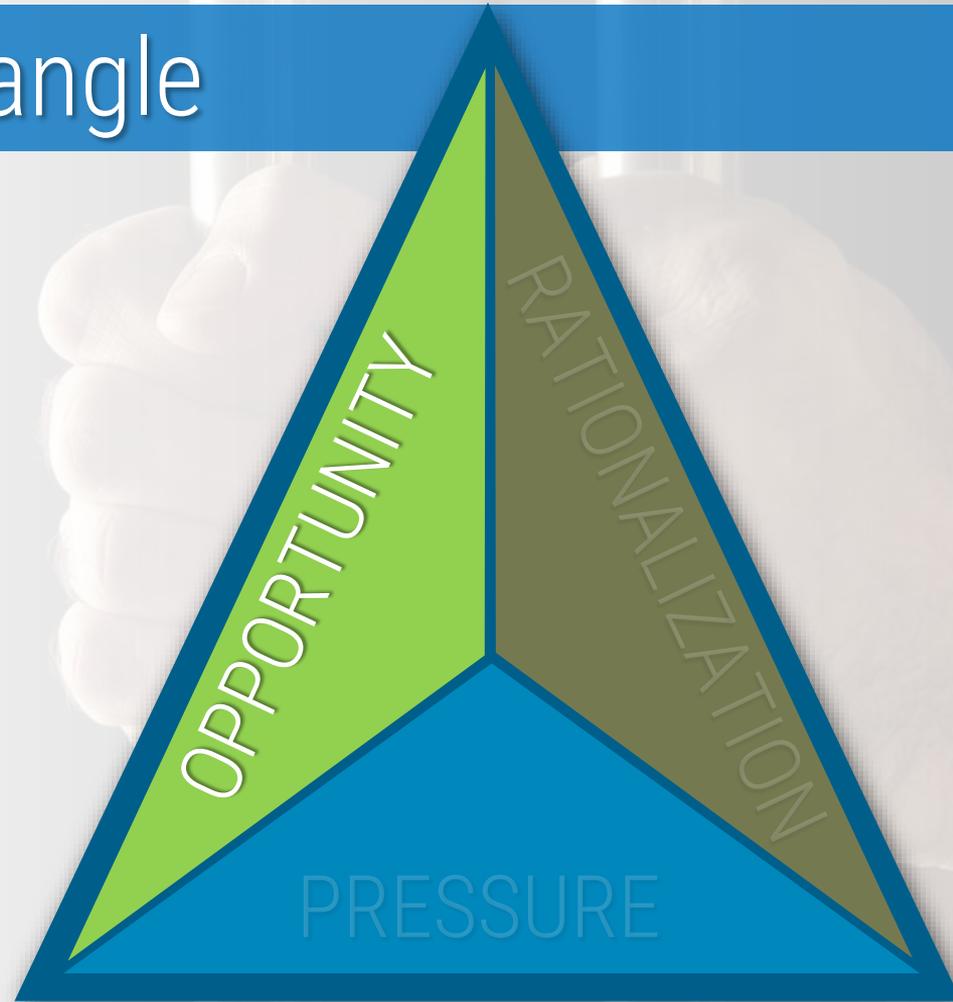
Source: "Understand the Fraud Triangle to Help Combat Occupational Fraud", Donald R. Cressey

# The Fraud Triangle



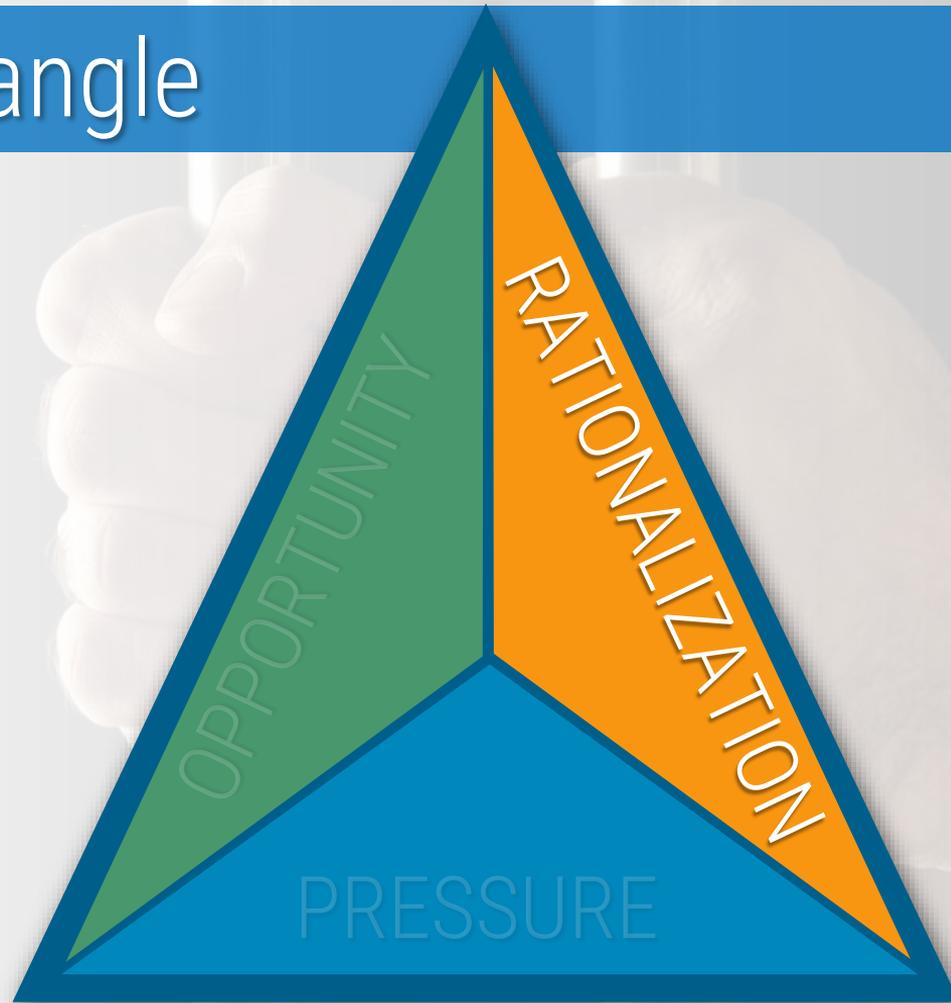
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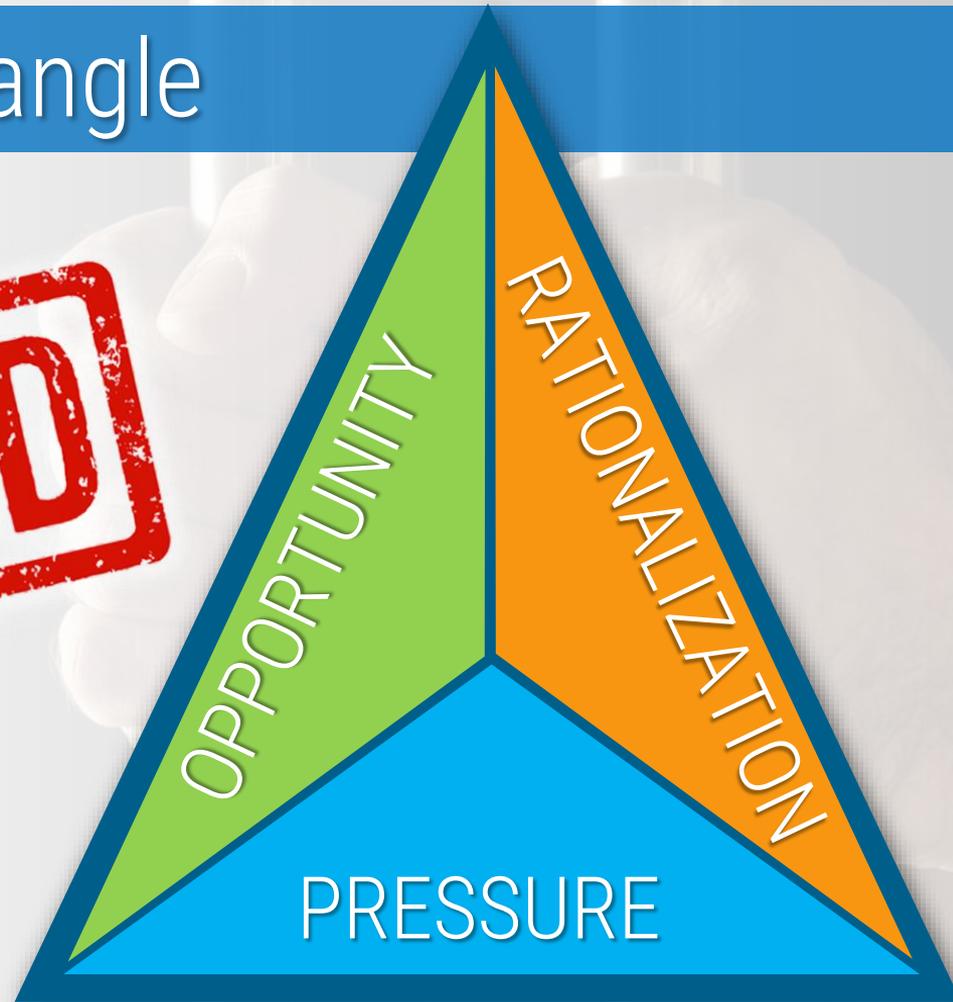
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**FRAUD**



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# Modern fraudsters techniques

**Capping**  
**Running**  
**Steering**

**WE'RE  
HIRING**

# Modern fraudsters techniques

A microscopic view of several COVID-19 virus particles. The particles are spherical and covered in numerous spike-like protrusions, giving them a crown-like appearance. The color is a reddish-pink. The background is a soft, out-of-focus gradient of light blue and white.

## COVID-19 Schemes

# Modern fraudsters techniques

## Telemedicine Schemes



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# Case examples of modern fraud

**Cold-calling**  
**Posing as government**  
**employees, hospital staff,**  
**or charity workers**



# Case examples of modern fraud

**Fake COVID  
testing sites  
in public places**



# Case examples of modern fraud

**Social media ads**

**Click-bait offers to  
enroll in fake clinical trials**

**Advertisement of fake  
remedies/vaccines/tests**



# Case examples of modern fraud

## Falsified COVID Tests

Sender: 215-66590  
Patient Name  
SARS CoV 2 SEROLOGY  
(COVID 19) AB (IGG), IA  
SARS CoV 2 AB IGG

0.3

**Reference Range: Positive**

Detection of the IgG antibodies ma  
SARS-CoV-2 (Covid-19). It usually  
symptoms onset for IgG to reach

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## PROTECT YOURSELF AGAINST WORK COMP FRAUDSTERS

**Fraudsters Target You.**  
Take direct steps to protect your employees and your business.

### EDUCATE & COMMUNICATE

- Ensure employees fully understand safety measures for their well-being.
- Provide ongoing education on equipment and machines they use.
- Communicate benefits of health insurance, work comp, state disability.
- Train supervisors and employees on work comp.
- Make sure employees know protocols when injuries occur.
- Provide training for properly investigating injury incidents.

### ENSURE AWARENESS

- Make it clear you care for workers as individuals and safety is top of mind.
- Institute regular Safety Meetings – ICW Group's Risk Management can help.
- Explain "whys" of safety and fraud rules, so everyone knows the impact.
- Check in with injured workers often, so they feel supported.

### FOSTER ACCOUNTABILITY

- Engage employees in their own and others safety in the workplace.
- Invest in security cameras to validate injuries and deter bogus claims.
- During exit interviews, rule out injuries sustained during employment.
- Investigate accidents immediately, interview witnesses and take pictures.
- Share anti-fraud policies – everyone should understand all injuries are investigated, and false claims aren't tolerated.

### CREATE THE RIGHT CULTURE

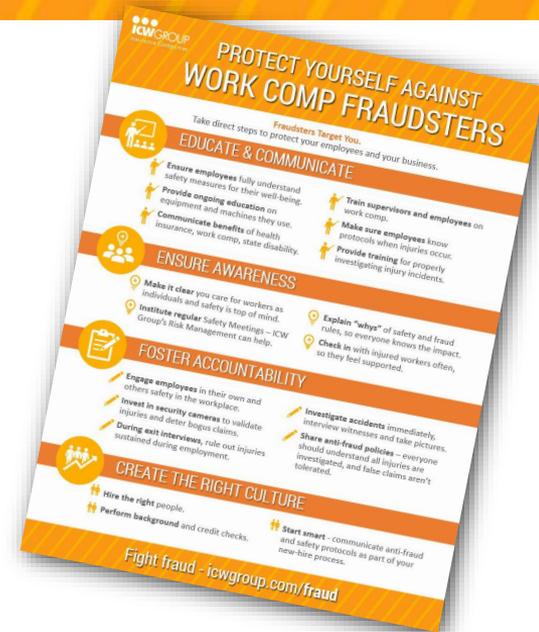
- Hire the right people.
- Perform background and credit checks.
- Start smart - communicate anti-fraud and safety protocols as part of your new-hire process.

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# Educate & Communicate



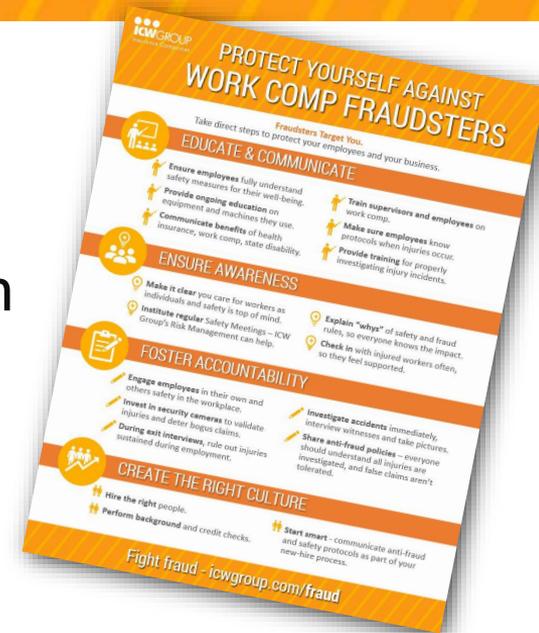
- Ensure employees fully understand safety measures for their well-being.
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# Educate & Communicate



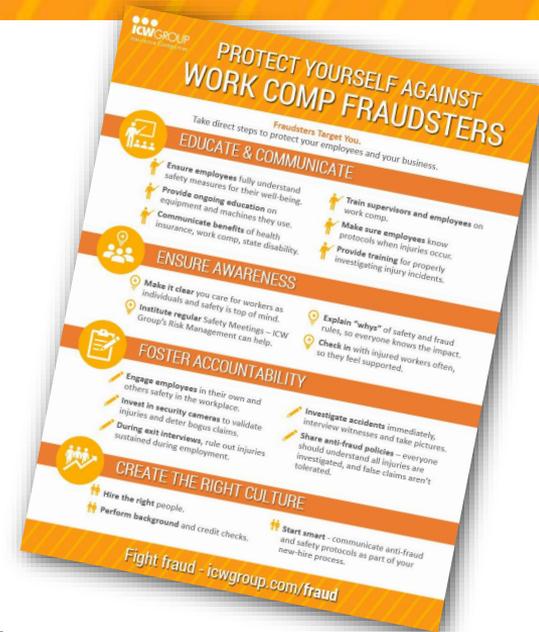
- Train supervisors and employees on work comp and state disability.
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# Ensure Awareness



- Make it clear you care for workers as individuals and safety is top of mind.
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# Foster Accountability



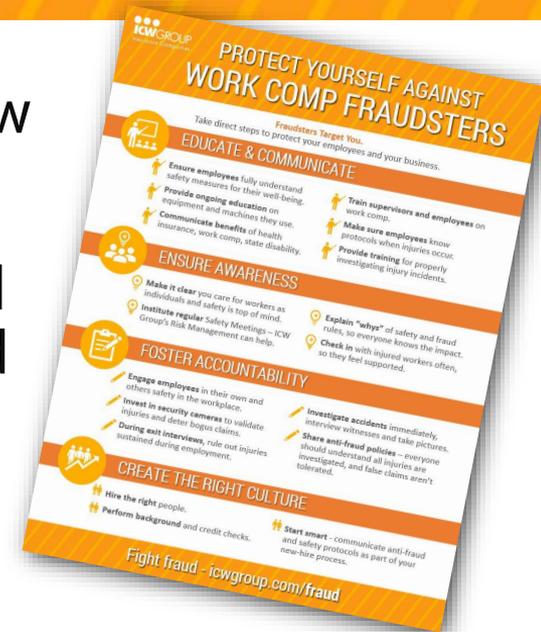
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# Foster Accountability



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# Create The Right Culture



- Hire the right people.
- Perform background and credit checks.
- Start smart - communicate anti-fraud and safety protocols as part of your new-hire process.



Fraudsters impact us all  
Prevention through education  
Symptoms vs disease  
Fighting fraudsters requires teamwork  
Industry leadership



# Our Special Investigative Role



# 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

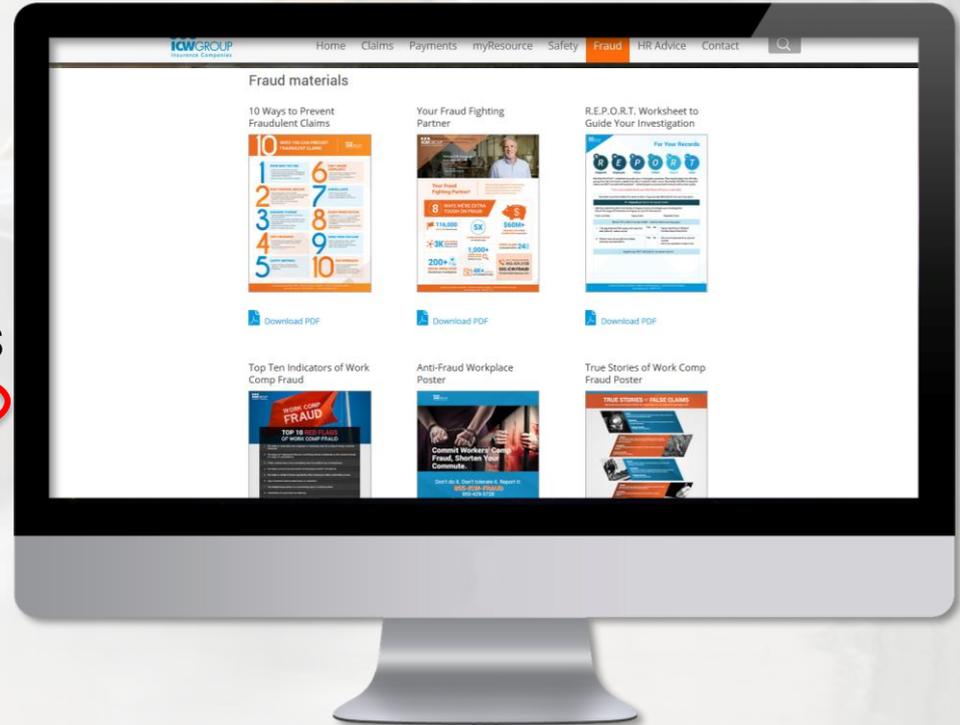
*All claims checked throughout entire lifecycle – even after close!*

# ICW Group Policyholder Center!

## RESOURCES:

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

[icwgroup.com/fraud](http://icwgroup.com/fraud)



# ICW Group Policyholder Center!



### 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 "R" – Respond get help for the injury.

Start by submitting the First Notice of Injury or Loss, then attach the copy of First Notice of Injury or Loss for this record.

Check YES or NO

- The gap between the injury date (above) makes sense.
- Worker has not sought prior attorney representation.

### THE 10 MOST ASKED QUESTIONS ABOUT WORK COMP FRAUD

- WHAT PERCENT OF CLAIMS BECOME FRAUD? Actual injury fraud is rare – less than 2%! It's often what happens after that turns into fraud. Got concerns? We're here to help.
- DO YOU DO INVESTIGATION? You best bet is to...

10-2  
30%  
3,000

### WARNING SIGNS OF WORK COMP FRAUDSTERS

"Before ICW Group we were wrought with..."

### 10 WAYS YOU CAN PREVENT FRAUDULENT CLAIMS

- KNOW WHO YOU HIRE
  - Conduct a thorough background check
  - Verify references from previous employers
  - Check for criminal records
  - Review employment history
  - Check for drug use
  - Check for social media activity
- DON'T HESITATE, EDUCATE
- DON'T IGNORE COMPLAINTS
- SURVEILLANCE

### WATCH OUT FOR WORK COMP FRAUDSTERS

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- Exaggerating injuries
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- Unnecessary treatments
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### ADMIT ONE FALSE INJURY CLAIMS GET A FREE TICKET DIRECTLY TO JAIL

THE PENALTIES ARE SEVERE!

30 days to 30 years in prison

100% of the value of the FRAUD, whichever is greater

UNA ENTRADA

LOS RECLAMANTES FALSOS DE LESIONES SON UNA ENTRADA GRATUITA DIRECTAMENTE A LA CÁRCEL.

Penalties: (Cada reclamo es penal)

30 días a 30 años de prisión

100% del valor de la reclamación o el 100% del valor del fraude, whichever is greater

CLAS BANCOROS (LESIONES SON DROVES)

Los reclamos de lesiones falsas son una entrada gratuita directamente a la cárcel.

Penalties: (Cada reclamo es penal)

30 días a 30 años de prisión

100% del valor de la reclamación o el 100% del valor del fraude, whichever is greater

\* Las sanciones penales dependen de la ley estatal aplicable.

\* Criminal penalties dependent on applicable state laws.

# ICW Group Policyholder Center!

## Log into myResource

- Open Safety OnDemand
- Search for **Fraud, COVID-19, etc**
- Find meeting materials, articles and training

**Supervisor's Report of Accident Exposure – Spanish**  
Article, Spanish

Los accidentes no ocurren por si solos son el resultado de una acción o situación insegura. Aproveche su propia experiencia y investigue todos y cada uno de los accidentes, sin importar [...]

**SAFETY OnDemand**  
Provided by ICW GROUP

Welcome, Carl | Manage eLearning | View list of learners | Logout | Help

All Topics | Resources | Webinars | Ask an Expert | Favorites | Search

**Supervisor's Report of Accident Exposure**

Every accident has a cause and most can be prevented. Profit from your experience and investigate every accident, regardless of whether injury results, and correct the conditions responsible before they cause other accidents. An accident is any occurrence from which bodily injury or damage to property may result, regardless of whether any injury or damage does result.

All accident cases

Meeting Kit | PowerPoint

**Safety Talk**  
**¿QUE ESTÁ EN RIESGO?**

Cuando se comete un error en el lugar de trabajo que conduce a la lesión o muerte de un trabajador, las personas que creen que podrían enfrentarse a la culpa pueden entrar en pánico y verse tentados a manipular el lugar del accidente antes de que llegue un investigador de seguridad.

La manipulación puede incluir la eliminación de pruebas tales como objetos o documentos del lugar del accidente o la adición de artículos relacionados con la seguridad que no estaban allí cuando el trabajador murió o sufrió lesiones.

**¿CUÁL ES EL PELIGRO?**

La manipulación de la escena de un accidente o incidente no solo es moralmente incorrecta, sino que también puede causar graves problemas legales a los trabajadores si se descubre el fraude. Y la probabilidad de que alguien que tiene años de experiencia investigando lesiones y fatalidades en el lugar de trabajo ofate un encubrimiento es alta.

**EJEMPLO**

Un superintendente de la construcción fue sentenciado a seis meses de arresto domiciliario y tres años de libertad condicional después de haber sido condenado por tratar de encubrir las circunstancias que rodearon la...

[icwgroup.com/safetyOndemand](https://icwgroup.com/safetyOndemand)

# ICW Group Policyholder Website!

## HR OnDemand

- Free HR advice on best practices for recruiting, hiring and background checks to help you further prevent workplace fraud.
- Included free with your policy!

[icwgroup.com/hrondemand](http://icwgroup.com/hrondemand)

The screenshot displays the ICW Group Policyholder Center website. The navigation bar includes links for Home, Claims, Payments, myResource, Safety, Fraud, HR Advice, and Contact. The main heading is "POLICYHOLDER CENTER" with a sub-heading "Workers' Compensation". A prominent banner for "HR OnDemand" features a woman in a headset and text: "Advice When You Need It Most". Below the banner, there are sections for "Get HR Advice" and "Sign up for HR OnDemand". A large callout box highlights the benefits of the service:

- SAVE TIME:** Get advice you need when you need it - call, email or go online! No time to research? Let HR OnDemand do it for you. Easily held and keep your handbook compliant with new laws.
- REDUCE COSTS:** Save on HR Consultant fees - HR OnDemand is free! Access thousands of professional forms, documents and tools. Attend live webinars - with HRCA & DRIHR accredited CE courses.
- MAXIMIZE RESULTS:** Recruit, manage, train and retain the best employees. Help reduce employment liability and legal risk. Further optimize your most important asset - your people.

Additional text on the page includes: "You're viewing info for California", "Included free with your policy", "Gain instant access to a team of experts. No question you have, from workplace safety to workers' compensation matters, you'll get accurate, actionable advice.", "New to HR OnDemand? All ICW Group work...", and "Sign up for HR OnDemand at [icwgroup.com/hrondemand](http://icwgroup.com/hrondemand)".

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*QUESTIONS?*





# IDENTIFYING THE MODERN FRAUDSTER

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*THANK YOU!*

*FraudUnit@icwgroup.com*

*855-ICW-FRAUD (855.429.3728)*

