

**WORKERS' COMPENSATION FRAUD IS A CRIME. THERE ARE MANY TYPES OF FRAUD WITHIN THE WORKERS' COMPENSATION SYSTEM**

**Uninsured Employers:**

Failing to have Workers' Compensation insurance coverage for their employees when required by law is a crime punishable by up to one year in jail and a fine of at least \$10,000.

**Applicant Fraud:**

An employee who lies to receive benefits may be guilty of a felony punishable up to five years in jail and a \$150,000 fine. Some ways in which this crime can be committed include: reporting an injury occurred on the job when it did not happen; receiving benefits while working another job that is not reported; failing to disclose prior relevant injuries; or exaggerating physical disabilities or limitations.

**Employer Fraud:**

Employers that wrongfully deny an injured worker their entitled benefits or discourage an injured worker from pursuing a claim may be guilty of a felony punishable by up to five years in jail and a \$150,000 fine. An example is making a false or fraudulent statement to prevent an employee from filing a claim.

**Premium Fraud:**

Employers who lie to reduce their insurance premium may be guilty of a felony punishable by up to five years in jail and a \$50,000 fine. Examples include paying employees in cash and not reporting them as employees; not accurately describing employees' duties; or falsely reporting the payroll.

**Provider Fraud:**

Medical providers who commit fraud in connection with Workers' Compensation may be guilty of a felony punishable by up to five years in jail and a \$50,000 fine. Examples include billing for treatment not provided; or illegally recruiting patients.

**RELATED LINKS AND AGENCIES**

**Placer County District Attorney's Office**

<http://www.placer.ca.gov/departments/da>

Phone: (916) 543-8000 / Fax: (916) 543-2550

**California Department of Insurance**

<http://www.insurance.ca.gov/>

Phone: (408) 201-8800 / Fax: (408) 779-7299

**California Employment Development Department**

<http://www.edd.ca.gov/>

State agency for unemployment insurance, disability insurance, employment and training, payroll taxes, and more.

**California Department of Industrial Relations**

<http://www.dir.ca.gov/>

State agency that was established to improve working conditions for California's workers.

**California Department of Industrial Relations, Workers' Compensation Division**

[http://www.dir.ca.gov/dwc/dwc\\_home\\_page.htm](http://www.dir.ca.gov/dwc/dwc_home_page.htm)

This division minimizes the adverse impact of work-related injuries on California employees and employers.

**California Department of Industrial Relations, Labor Commissioner**

<http://www.dir.ca.gov/dlse/dlse.html>

This division was established to adjudicate wage claims, investigate discrimination and public works complaints, and enforce Labor Code statutes and Industrial Welfare Commission orders.

**California Department of Industrial Relations, Cal/OSHA**

<http://www.dir.ca.gov/dosh/dosh1.html>

This division protects workers and the public from safety hazards.

**DISTRICT ATTORNEY'S  
WORKERS' COMPENSATION  
INSURANCE FRAUD UNIT**



**R.Scott Owens**  
*District Attorney, Placer County*

**Workers' Compensation fraud is a serious crime that can result in criminal charges.**

It's a form of theft that some employers, employees or medical providers use to get money that is not due to them. Workers' Compensation is for legitimate on-the-job employee injuries. Fraud hurts the small-business owner because it often results in higher insurance premium fees. When you suspect Workers' Compensation fraud, be part of the solution and report it.

**Workers' Compensation fraud occurs when an employee, medical provider or an employer lies to get Workers' Compensation benefits they are not entitled to.**

Medical providers who bill for services not rendered and an employee who fakes an injury to get benefits are both defrauding the system by accepting money or medical benefits to which they are not entitled. Workers' Compensation benefits involve a no-fault system for the sole purpose of covering the medical expenses and lost wages for an employee's on-the-job injury.

**Because Workers' Compensation fraud is a serious charge, it's important to review the red flags that indicate a potential fraudulent claim.**

When you suspect fraud, these red flags can validate your suspicions. Some employees report Workers' Compensation injuries when they were really injured away from work. For employers, the red flags include no witnesses to the injury, contradictions between a witness and the injured employee's facts, untimely reporting of the injury, and a manufactured-looking accident report with white-outs or crossing out of information. Other red flags include poor attendance habits of the injured worker, disciplinary actions prior to the injury and an injury before retirement.

**Workers' Compensation insurance carriers typically have a fraud investigation unit to probe allegations of fraud.**

Within the investigation unit, a private detective or investigator could be assigned to shadow an employee suspected of fraud. A Workers' Compensation P.I. might stake out the employee's house to catch them performing physical activities that they are allegedly incapable of, under the conditions of their injury. Investigators will use video cameras to record suspected fraud activities. If the fraud qualifies under the state's criteria as a felony, the carrier could file criminal charges with the District Attorney's Office, and the employee could face penalties, fines or jail time.

**As with any crime, the public is pivotal in reporting criminal activity in order to improve government services and stop fraud and abuse that is costly to our entire community.**

If you have information regarding any form of Workers' Compensation Insurance Fraud please report it to the Department of Insurance, Sacramento Office or to the Placer County District Attorney's Office. The more information you can provide, the better.

**As an employer, if you think someone is committing Workers' Compensation fraud, report it to your Workers' Compensation insurer.**

Every workers' compensation insurer is required to have a Special Investigation Unit to handle these cases. The insurer is required to report the suspected fraud to the Department of Insurance and the Placer County District Attorney for investigation. Self-insured employers can report the fraud to their Third Party Administrator. As an employee, if you have information your employer does not carry workers' compensation insurance, you can report this directly to the Department of Insurance, Sacramento Office or to the Office of the Placer County District Attorney's office.

R.Scott Owens  
*District Attorney, Placer County*



**MISSION**

The Office of the District Attorney preserves public safety and enhances the quality of life in Placer County by investigating crime, prosecuting criminals, assisting victims and survivors of crime, protecting the health and well-being of children and deterring juveniles from criminal activity.