



**THE FORCE
ON FRAUD**

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INTRODUCTION

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THE FORCE BEYOND!

- Employer involvement is critical
- Obtaining background intel and motive
- Investing in discovery and investigative measure

CONNECTING THE FORCE

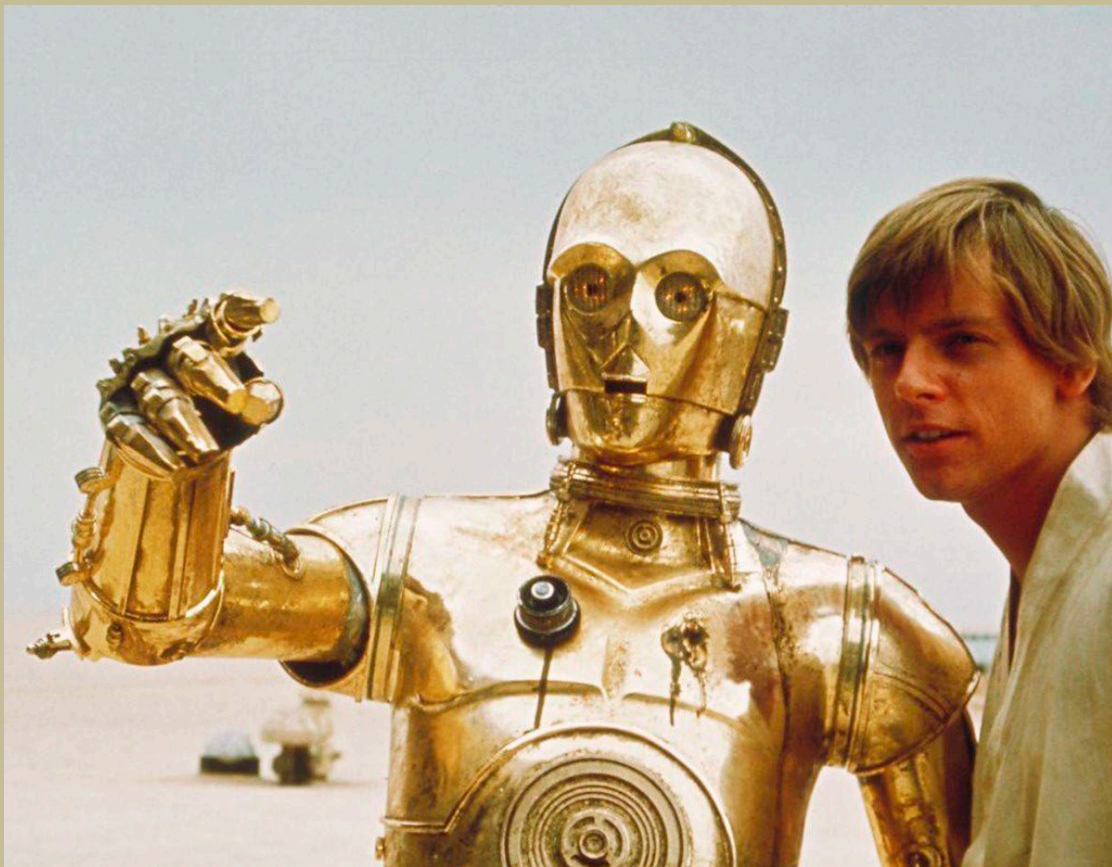
- Tax Payers/Community Members
- Executive Management
- Members of Governing Board
- Self-Insurer/Employer
- Claims Administrator
- Investigative Firms
- Medical Providers
- Legal Counsel





COMMUNICATION

- Having objective claims reviews
- Setting targets and program goals
- Staying in touch with the injured worker, field nurse case management, physician & attorney
- Hold return-to-work meetings
- Strategizing claims resolution, not claims management !



RED FLAGS FOR EMPLOYERS

- Issues with other employees or supervisor
- Employee financial distress
- Injury with no witnesses
- Injury occurring late Friday or early Monday
- Injury reported late, more than a week or longer
- Injury occurring before discipline or termination notice
- Injury occurring where the employee does not normally work
- Injury is inconsistent with normal job duties
- Employee observed in activities inconsistent with the reported injury
- History of multiple prior workers' comp claims
- Conflicting diagnoses from subsequent treating providers
- Evidence of employee working elsewhere while collecting benefits
- Sudden request for treatment after long period of inactivity



CASE OF CHRISTMAS LIGHTS

- Employee returned from leave
- Unwitnessed injury
- Images taken of undisturbed injury site
- Subrosa taken day after Thanksgiving
- Physician reviews evidence and changes opinion on AOE/COE
- DA filed 3 counts of Insurance Code 1871.4(a)(1)

A scene from Star Wars: The Force Awakens showing Darth Vader in his black armor and cape, standing in a futuristic corridor. He is looking at a man in a tan uniform and a silver helmet who is holding a small device to his mouth. In the background, a Stormtrooper in white armor stands with arms crossed. The scene is dimly lit with blue and grey tones.

WORKING FOR ANOTHER EMPLOYER

- Claimant predesignated on DOI
- Subrosa showed claimant in uniform while TTD
- Denied other employment to PI
- DA filed 3 felony counts of insurance fraud

MVA ON ISO REPORT

- **Claimant denied prior MVA at Depo**
- **ISO revealed vehicle vs. pedestrian**
- **AME increased apportionment due to new intel**
- **DA filed attempted perjury charge**





STRATEGIZING FORCE

- Ongoing review of red flags
- Reading medical reports
- Invest in discovery!
- Take images of the scene.
- Security video or witnesses?
- Recording initial contact



BEST PRACTICES

- Have claimant complete questionnaires and intake forms
- Comparing documents that claimant completed with other facts
- Posting fraud posters
- Anonymous tip line
- Post reward for successful arrest/conviction
- Talking to staff about cost of claims, abuse and fraud
- Strategize questions with defense counsel prior to dep
- Employer and TPA involvement to successfully collaborate/report to CDI and DA

CALIFORNIA WC FRAUD STATISTICS

FY 2015-2016

Referrals(SFC's)	5,380
Arrests	731
Prosecutions	1379
Convictions	610
Restitution Ordered	\$15,626,822
Restitution Collected	\$10,198,615

CRIMINAL INSURANCE FRAUD?

California Insurance Code 1871.4 (a)

- 1) **Make or cause to be made a knowingly false or fraudulent material statement or material representation** for the purpose of obtaining or denying any compensation, as defined in Section 3207 of the Labor Code.
- (2) **Present or cause to be presented a knowingly false or fraudulent written or oral material statement** in support of, or in opposition to, a claim for compensation for the purpose of obtaining or denying any compensation, as defined in Section 3207 of the Labor Code.
- (3) **Knowingly assist, abet, conspire with, or solicit a person in an unlawful act** under this section.
- (4) **Make or cause to be made a knowingly false or fraudulent statement** with regard to entitlement to benefits **with the intent to discourage an injured worker from claiming benefits or pursuing a claim.**

For the purposes of this subdivision, “statement” includes, but is not limited to, a notice, proof of injury, bill for services, payment for services, hospital or doctor records, X-ray, test results, medical-legal expense as defined in Section 4620 of the Labor Code, other evidence of loss, injury, or expense, or payment.

- (5) **Make or cause to be made a knowingly false or fraudulent material statement or material representation** for the purpose of obtaining or denying any of the benefits or reimbursement provided in the Return-to-Work Program established under Section 139.48 of the Labor Code.
- (6) **Make or cause to be made a knowingly false or fraudulent material statement or material representation** for the purpose of discouraging an employer from claiming any of the benefits or reimbursement provided in the Return-to-Work Program established under Section 139.48 of the Labor Code.

M: THE LIE MUST BE **MATERIAL** & AFFECT BENEFITS

I: THE LIE MUST BE MADE FOR THE **INTENT** OF OBTAINING BENEFIT THAT IS NOT DUE OR DENYING BENEFIT THAT IS DUE.

L: THERE HAS TO BE A **LIE** OR FALSE REPRESENTATION

K: THE LIE MUST BE **KNOWINGLY** MADE



FRAUD PUNISHMENT

- Imprisonment in the county jail for over one year, or in a state prison, for 2-5 years
- A fine may be imposed not exceeding \$150,000, or double the amount of the fraud, whichever is greater
- Court is required to order restitution, which could include restitution for any medical evaluation or treatment services obtained or provided, and payment of disability benefits received because of the fraudulent act
- Restitution may also include the costs of investigation
- Other fines and fees as the court deems necessary
- Probation



EDUCATE YOUR STORMTROOPERS



- Develop policy statement for prompt reporting
- Make clear that false claims are subject to termination and criminal prosecution
- Annual training on these topics and document attendance

QUESTIONS YOU HAVE?



IMAGE SOURCE

Slide 1: <https://starwarsblog.starwars.com/wp-content/uploads/2015/06/Yodapush.png>

Slide 3: <https://nerdist.com/wp-content/uploads/2015/09/LUKE.png>

Slide 4: https://media.newyorker.com/photos/59097439c14b3c606c108582/master/w_727,c_limit/Gopnik-Lessons-for-the-Supreme-Court-from-the-Jedi-Council.jpg

Slide 5: <http://static2.uk.businessinsider.com/image/561dfdcbbd86effb5b8b6811/star-wars-isnt-this-years-most-anticipated-movie-among-teens.jpg>

Slide 6:

https://www.syfy.com/sites/syfy/files/styles/1200x1200/public/wire/legacy/luke_skywalker_and_c3po.jpg?itok=kxhpa-w_d×tamp=1497663261

Slide 7: <https://hrexach.files.wordpress.com/2014/12/star15.jpg>

Slide 8: http://media.gizmodo.co.uk/wp-content/uploads/2017/09/star_wars_darth_vader_choke.jpg

Slide 9: <https://starwarsataglance.files.wordpress.com/2014/09/lukelands.jpg>

Slide 10: <https://amp.businessinsider.com/images/566b2011dd0895a4448b481a-320-240.jpg>

Slide 11: https://onthatpage.files.wordpress.com/2011/05/stacked_by_balakov.jpg

Slide 12: <https://cdn.patchcdn.com/users/22848544/2015/12/T800x600/201512567342e9bfc01.jpg>

Slide 14: <https://pbs.twimg.com/media/DRdvLTLXkAAX2yX.jpg>

Slide 15:

<http://forum.projectcarsgame.com/attachment.php?attachmentid=236977&d=1487160930&thumb=1>

Slide 16: https://3.bp.blogspot.com/-nZr8Nd3cA7s/WKHX_J8OV2I/AAAAAAAAA-0/zaYPUy1Ng1EKdlczJnbYsKJ-4TBMDrFMAClCb/s1600/PAY-Stormtroopers-go-to-school%2B%25281%2529.jpg

Slide 17: <https://thingsmysonasks.files.wordpress.com/2016/04/yoda.jpg>