

15 Warning Signs of Workers' Compensation Fraud



Workers' compensation (WC) is the safety net that protects employees injured on the job, but some see it as an opportunity to benefit from false claims.

The result? WC fraud in America costs \$34 billion, including \$9 billion in fraudulent employee claims. Do you know how to spot potential WC fraud? According to Zywave, experience shows a claim may be fraudulent if two or more of the following factors are present:

1. The alleged injury occurs either "first thing Monday morning," or late on a Friday afternoon, but isn't reported until Monday.
2. The reported accident occurs immediately before or after a strike or a layoff, or at the conclusion of a big project or seasonal work.
3. The claim occurs post-termination. Was the claim made prior to termination? After the employee exhausted unemployment benefits?
4. The claimant has a history of frequently changing physicians, addresses and places of employment.
5. The employee has a pre-existing medical condition that is similar to the alleged work injury.
6. There are no witnesses to the accident and the employee's description does not logically support the cause of injury.
7. The employee's description of the accident conflicts with others' accounts, the medical history or the First Report of Injury.
8. The claimant has a history of numerous suspicious or litigated claims.
9. The claimant refuses a diagnostic procedure to confirm the nature or extent of an injury.
10. The employee delays reporting the claim without a reasonable explanation.
11. The employee is hard to reach, such as never home when they are allegedly disabled or you are consistently told they are "sleeping and cannot be disturbed."
12. The employee has another paying job or does volunteer work that may be the potential source of the injury.
13. There is an unusual coincidence between the employee's alleged date of injury and his/her need for personal time off.
14. There are signs of potential financial trouble, such as the employee has tried to borrow money from co-workers or the company, or requested pay advances.
15. The employee has a hobby that could cause an injury similar to the alleged work injury.

Need help managing workers' compensation or other HR-related responsibilities? Contact employEZ at info@employ-ez.com or visit our website at employ-ez.com

These warning signs are simply indicators. If you are suspicious of a claim, alert your insurance carrier. Sources: National Insurance Crime Bureau, Coalition Against Insurance Fraud, Zywave

