

Workers' Compensation

Employers advised to keep an eye out for warning signs of fraud

Workers' compensation fraud units use a variety of methods in order to discourage or prosecute fraud. They may produce posters to educate workers about the negative impact of fraudulent claims, or they may educate employers about the red-flag warning signs of fraud. Many of these bureaus have created a list of factors said to be indicators of fraud. The factors are not meant to be conclusive; the presence of one factor, or all factors, does not mean that the claim is fraudulent. The presence of the factors, may, however, suggest that the claim should receive further scrutiny.

Fraudulent workers' compensation claim red-flag examples

- Report of injury is not timely and immediate
- Cross-outs, white-outs, or erasures on documents
- Injured worker cannot be reached because he or she is never home or is reportedly sleeping
- Accident occurs immediately prior to a strike, layoff, plant closing, or employee termination
- No witnesses to the accident
- Time, date, and place of accident is unknown
- Employee gives inconsistent statements about incident
- Employee cannot recall specific details about the incident
- Employee refuses or delays diagnostic procedures meant to confirm injury
- Injured worker disputes average weekly income
- Employee lists an occupation inconsistent with employer's business
- Injury is not consistent with nature of business
- The employee has a history of filing injury claims
- Worker has a history of short-term employment
- Worker changes lawyers frequently
- Health care costs are higher than expected for the type of injury
- Injured worker moves out of state or country shortly after filing claim
- The same doctors or attorneys are repeatedly associated with claims

These criteria are provided for use by employers but are not the equivalent of legal grounds for denying a claim. In fact, in some cases, an employer may actually be prohibited by law from giving any weight to these factors. For example, in many cases, an employer is not allowed to consider the fact that the employee has a history of filing other injury claims. Other factors that an employer may not be able to legally consider include the fact that the employee has a history of short-term employment, or that he or she has changed attorneys many times. It is helpful for an employee to know what issues may cause an employer to take a closer look at a claim, but an employee should understand that these factors are only meant to alert employers and are not a part of workers' compensation law.