

Red Flags: Potential indicators of employer fraud

- A business presents documentation, such as a certificate claiming coverage, that has dubious information, such as an implausible coverage period
- Documents such as applications for coverage have numerous indicators of changes such as cross-outs, white-outs and/or erasures
- The business name fails to indicate, or is inconsistent with, the type of work done by the business
- There are inconsistencies in the numbers of employees, job classes, and payroll
- Multiple state exposures are indicated by a new business
- The business makes a major deposit premium in order to avoid interim audits
- Employees report that the business discourages them from filing valid workers' compensation claims
- Employees report that the business may have shifted costs from an employee's non-work-related health problem to a workers' compensation claim
- Business requires employees to complete 1099 forms
- Business reports payroll decreases inconsistent with stable or increasing revenues
- Principal business address is a post office box, suite number, or room number